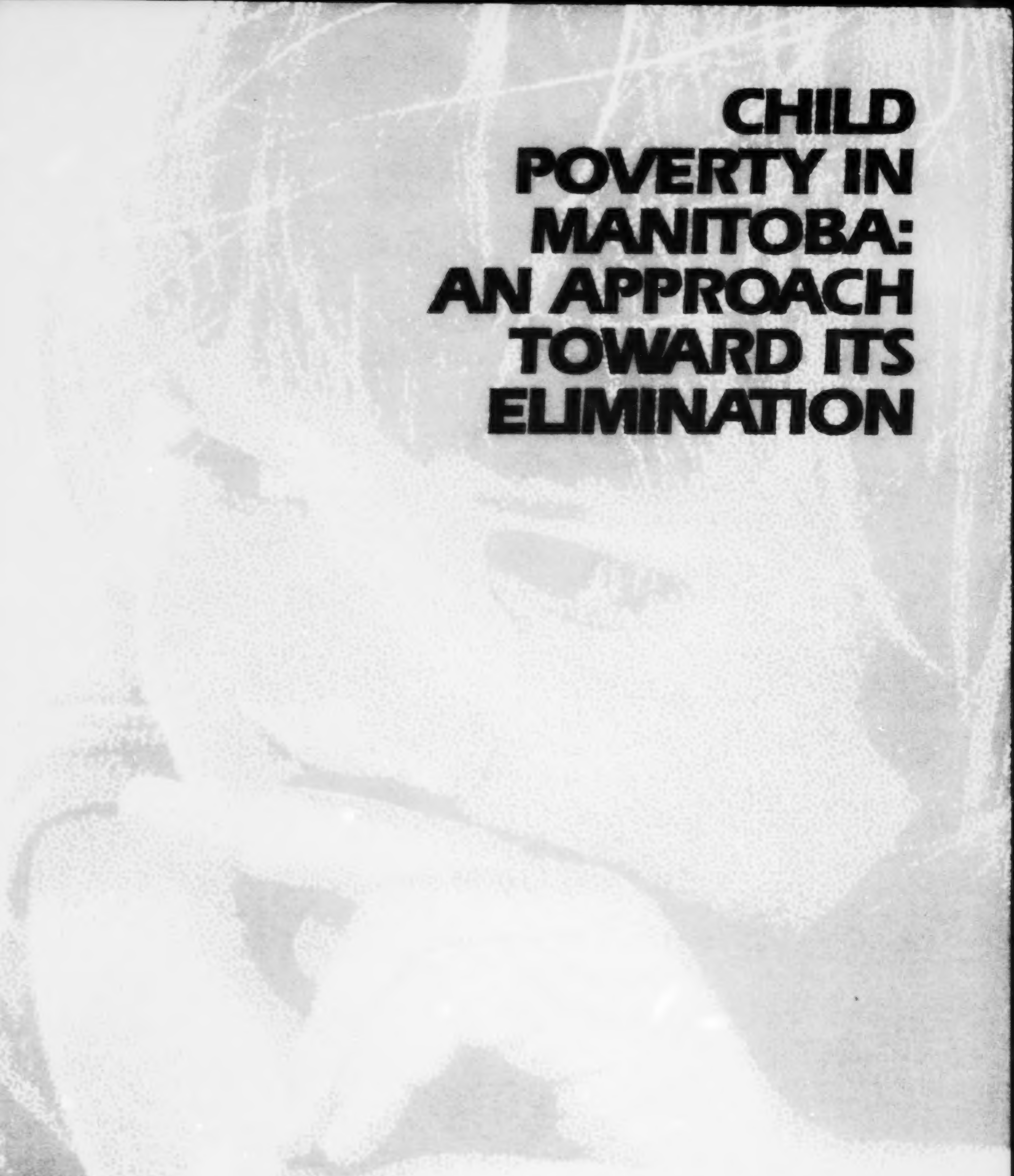
CHILD POVERTY IN MANITOBA: AN APPROACH TOWARD ITS ELIMINATION



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CHILD POVERTY IN MANITOBA: AN APPROACH TOWARD ITS ELIMINATION

SOCIAL PLANNING COUNCIL OF WINNIPEG
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In co-operation with the Province of Manitoba and the City of Winnipeg, the Planning Council established an Advisory Committee to the research project. This Committee acted as a liaison to facilitate collection of program information, to lend expertise to the research, and to review and critique drafts of the report.

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EXECUTIVE SUMMARY

In 1989, the proportion of children in poverty was greater in Manitoba than in any other province in Canada. More than one in five Manitoba children were poor during this time; for the City of Winnipeg the rate was more than one in four. The provincial figures represent an increase of three per cent from the previous year. The situation has been rapidly growing worse. Since the beginning of the recession, the number of poor children has likely increased. We cannot afford to allow the situation to continue to deteriorate. Poor children in Manitoba require urgent intervention. In its report, CHILD POVERTY IN MANITOBA: AN APPROACH TOWARD ITS ELIMINATION, the Social Planning Council of Winnipeg recommends a three-stage approach to reforming the Child-Related Income Support Program (CRISP).

The report presents a profile of children in poverty, describes contributing factors and consequences, examines the effectiveness of five Manitoba income security programs and recommends strategies for change. The report shows that the risk of being poor is greatest for a child six years old or younger who is supported by a single mother with less than a high school education working part time or not at all. Research specific to Aboriginal child poverty[1] estimates that, in 1985, the rate of poverty for Aboriginal families in Manitoba was more than three times that of non-Aboriginal families.[2]

The contributing factors to income poverty are multiple and so too are the consequences. Research consistently demonstrates that a child who is poor is at greater risk of poor physical and mental health, dropping out of school at an early age, having poor job opportunities and of dying at an earlier age than a child who is not poor.

More than 56,000 children were living in poverty in Manitoba in 1989. The fact that we continue to tolerate this state of poverty is disturbing. The fact that we have allowed it to increase is unacceptable. The social safety net that we, as Canadians, so proudly uphold to the international community, has not only tears in it but gaping holes.

Over the past 20 years, strategies toward eliminating poverty in Canada have recognized the need for multifaceted approaches. These approaches include income security, employment creation, employment equity, affordable child care, pre-employment training, and educational and job-skill upgrading. Each of these anti-poverty policy instruments pursues the objective of providing an adequate level of income for a family to participate equitably in our society. During the past two decades, these approaches have been adopted to some degree by different levels of government and among some parts of the private sector. However, the impact of these approaches has been limited.

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[1] Richard E. Shillington, "Estimates of the Extent of Native Child Poverty: 1986 Census". February 1990, p. 5.

[2] The 1989 database used in this report, and therefore the subsequent profile of children in poverty, do not distinguish between Aboriginal and non-Aboriginal families.

The Planning Council has long been involved in working toward solutions to poverty and supports the need for a multifaceted approach. Its current research focuses on income security solutions. Income security is only one of many instruments that governments employ in assisting poor families, but it is also one of the most essential as it constitutes the social safety net - the bottom-line in securing the basic needs of poor families.

The report examines the effectiveness of five income security programs which are under the jurisdiction of the Provincial Government and designed to assist poor families with children in Winnipeg and Manitoba. The programs include Social Allowance, Municipal Welfare, the Child-Related Income Support Program (CRISP), Shelter Allowance for Family Renters (SAFFR) and the Cost of Living Tax Credit. Research results show that these programs are efficiently targeting poor children, however, research also reveals that the benefits are inadequate to move these children out of poverty. The result is an income security system that is failing 22% of Manitoba children. On average, there is a gap of $7,851 between the poverty line (LICO-1986 base) and the annual incomes of poor Manitoba families with children.

The report identifies CRISP as a key income security program and simulates various improvements to it to assist in moving children and their families in Winnipeg and Manitoba out of poverty. These reforms involve increasing benefit levels and extending CRISP to more poor families. The most extensive option put forward in this report moves poor families in Winnipeg and Manitoba to within 30% and 26% of the poverty line, respectively. The estimated total costs are $42.3 million (Winnipeg) and $68.5 million (Manitoba).[3] Part of these costs would be cost-shared with the Federal Government under the Canada Assistance Plan as the reform option includes extending the program to Social Allowance recipients without a tax-back on the CRISP benefit.

The Planning Council recognizes that the state of child poverty in Manitoba is extensive. As such, any income security initiative intending to move *all* poor children and their families above the poverty line (LICO-1986) will require substantial government expenditures. Recognizing the difficulty of achieving this objective, the report provides estimates on the impact of the reforms at 60% and 75% of the poverty line.

The short-term cost of any reform toward eliminating child poverty is substantial, but the long-term cost is immense if status quo policy responses do not change. An income security program that not only secures the basic needs for children but moves them out of poverty must be a critical component of a government's anti-poverty policy. It is in recognition of this social responsibility that the Planning Council recommends to the Government of Manitoba that it adopt the reforms proposed in Child Poverty In Manitoba: An Approach Toward Its Elimination. Investing in our children today will result in future gains for all of us. To do less is a betrayal of our responsibility.

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[3] At a participation rate of 70%.

1.0 INTRODUCTION

Children are our most valuable, yet most vulnerable resource. We look to them as the source of hope for our future and want them to have every opportunity available to achieve their potential. Yet, despite this intention and the abundance of resources in our country, at least one child in six in Canada is growing up poor; in Manitoba the number of poor children escalates to one in five. The cycle of poverty can begin at any stage of life, but when that stage is childhood the destructive consequences can span an entire lifetime, diminishing not only the life of one, but of many. Thus, working toward the elimination of child poverty in Canada is a responsibility we must all share.

The Social Planning Council of Winnipeg continues to be active in the analysis of poverty, identification of solutions and advocacy for their implementation. In dealing with this complex social issue, the Planning Council's research has involved different approaches and strategies. In the last two years the Planning Council has focused on examining the impact of poverty on children and the subsequent effect on society as a whole. This focus was developed in recognition of the vulnerability of children and, yet, their potential strength as a valuable future resource for us all. A potential which must be nurtured and secured.

In February 1991, the Planning Council presented a brief, Child Poverty in Manitoba: An Examination of Its Causes and Solutions, to the House of Commons Sub-Committee on Poverty. The brief acknowledged that the majority of Canadians who experience income poverty do so temporarily and that this economic condition is best addressed through full-employment and efficiently designed income supplement policies and programs. However, it also noted that a significant minority of the population are caught in a cycle of poverty and are unable to break out due to various life circumstances, and social and economic inequities. The brief concludes that addressing the needs of this high-risk group requires a multiple approach including affordable child care, employment equity, pre-employment training, educational and job-skill up-grading, and employment creation.

Following this initial research, the Planning Council chose to focus its current research on possible solutions to child poverty in Manitoba. In light of the previous conclusion, that the experience of poverty is temporary for the majority of the population, the Planning Council decided to focus on examining the effectiveness of five current income security programs which affect families in Winnipeg and Manitoba. The programs reviewed include Social Allowance, Municipal Welfare (Winnipeg), the Child-Related Income Support Program, the Shelter Allowance For Family Renters, and the Cost of Living Tax Credit. The Planning Council chose to focus on provincial programs as those within the capacity of the Provincial Government to change.

The Planning Council recognizes that a long-term solution to child poverty must include various strategies to deal with the multiple factors which contribute to child poverty. Research demonstrates not only how income poverty diminishes a child's life, physically and mentally, and limits opportunities, but also how increased income can have a positive effect on children in poor families. As such, an effective and humane income support policy must be among any strategies toward solutions.

The purpose of this research is to evaluate the effectiveness of the Manitoba income security system in moving children out of poverty and to suggest improvements. The report provides a statistical profile of child poverty in Winnipeg and Manitoba, a literature review regarding the contributing factors and consequences of poverty, a review of five key Manitoba income security programs targeted at poor families, and a proposal for change to the delivery of some of these programs.[4]

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[4] The reform proposals presented in the report focus on the impacts for Winnipeg families. Refer to summary tables in Appendix C for the impacts on Manitoba families.

2.0 MEASURING POVERTY

Before providing estimates of the extent of child poverty in Winnipeg and Manitoba, it is important to clarify the definition and means of measuring poverty used throughout this report.

"Poverty" means different things to different people. One's income may be adequate to provide for basic necessities but may not cover costs for particular social and recreational activities that provide for the more intangible components of quality of life such as personal growth and the development of one's self-esteem. To only consider the coverage of basic necessities uses the *absolute* approach as a definition of poverty. To consider what the average individual in a society should have equal access to, uses the *relative* approach as a definition. Thus, each approach gives rise to a different "poverty line" that, by definition, separates the poor from the non-poor.

Despite the dilemma of putting a seemingly arbitrary measurement on an individual's social and economic well-being, it is necessary to have some measurement in order to evaluate the overall well-being of our society. This evaluation is particularly important in providing policy-makers with a measurement for determining the most efficient allocation of public resources for people in need.

The poverty line most frequently referred to and employed in Canada is Statistics Canada's *low-income cut-off (LICO) line.* Statistics Canada does not describe this measurement as a poverty line but considers it an indicator of "straitened circumstances." Using a *semi-relative* approach, Statistics Canada refers to its Survey of Family Expenditures to estimate the average proportion of income that Canadian families of different sizes spend on food, clothing and shelter. The last survey was done in 1986 and estimated 36.2%. It then somewhat arbitrarily adds 20 percentage points to this estimate (i.e. 56.2%) and defines the low-income cut-off as that level of income at which the average family is spending 56.2% of its total before-tax income on the basic necessities of food, clothing and shelter. Although the 20% is an arbitrary value, the purpose of including additional percentage points is to take into account the fact that poor families have to spend a greater proportion of their income on basic necessities than families in higher income quintiles.[5] Statistics Canada has consistently used the value of 20% since it first defined this method of measuring low income in 1961.

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[5] National Council of Welfare, 1988 Poverty Lines, April 1988, p. 1.

Statistics Canada has calculated LICOs for seven family sizes and five residence locations (i.e. rural or urban). The inclusion of these variables results in 35 separate LICOs for Canadians. In 1991, the estimated LICOs for people living in cities with populations greater than 500,000 were as follows:

Table 2:1
Statistics Canada's Estimated LICOs (Population >500,000), 1991

One person	$14,877	Five persons	$32,245
Two persons	$20,166	Six persons	$35,001
Three persons	$25,633	Seven or more	$37,645
Four persons	$29,461		

Source: National Council of Welfare Estimates, 1991. (The 1991 LICOs were estimated, assuming an inflation rate of 5.6%.)

One of the limitations of the LICO measurement is the exclusion of populations living in the Yukon and Northwest Territories, on reserves, in the armed forces and in institutions.[6] Therefore, despite the pervasive use of the LICO lines as the measurement for estimating poverty in Canada, the lines tend to *underestimate* the extent of poverty in Canada.

The measurement of poverty which is significantly different from the LICO is the absolute measure used by provincial governments in determining provincial social assistance rates. These rates, individually set by each province as stipulated by the Canada Assistance Plan, are based on the costs required to cover the basic necessities of food, clothing and shelter. The level of the rates vary among the provinces but all fall well below Statistics Canada's LICOs. As of January 1991, it was estimated that, on average, provincial social assistance rates were 52.2% of the LICO.[7] New Brunswick had the lowest rates at 41.6% of the LICO. Ontario's rates were highest at 73.1% of the LICO. Manitoba does not fare well. Its social assistance rates rank eighth lowest, at 46.5% of the LICO.[8] As of January 1991, the provincial social assistance rates for Manitoba were as follows:

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[6] Richard Shillington, "Estimates of the Extent of Native Child Poverty: 1986 Census," February 6, 1990, p. 1.

[7] David P. Ross, "The Facts on Income Security, 1990," in Perception: Canada's Social Development Magazine, Spring 1991, p. 13.

[8] Ross, "The Facts on Income Security, 1990," p. 13.

Table 2:2

Province of Manitoba's Social Assistance Rates, 1991

Disabled Person	$6,205
Single Adult, One Child (age 6)	$8,545
Single Adult, Two Children (ages 6 & 12)	$11,139
Two Adults, Two Children (ages 6 & 12)	$13,758

Source: Income Security Division, Manitoba Family Services, 1991.

In 1992, the Manitoba Government increased the basic social assistance rate by 3.0%, shelter allowance by 3.6% and included an additional monthly supplement of $60 for recipients who are disabled. As well, recipients will no longer receive their Provincial Tax Credit in an annual lump sum but instead on a monthly basis as part of their social assistance benefit. The annual increase of 3.0% will do little to change Manitoba's ranking on social assistance rates. However, the additional benefit for the disabled is an overdue improvement as Manitoba had the lowest rates for the disabled among all provinces in 1990.[9]

The other measures of income poverty are those calculated by the Canadian Council on Social Development, the Canadian Senate Committee on Poverty (1971), and the Metropolitan Toronto Social Planning Council. The dollar differences between these lines are relatively minor in comparison to the social assistance rates.[10] The Planning Council has consistently used the LICO lines in its poverty research. The Planning Council recognizes that income poverty must be measured on a relative basis, that is, an adequate standard of living must be determined in relation to the average income of the population. This approach acknowledges that lack of income not only deprives one of adequate basic necessities but also of equitable participation in society. Thus, anti-poverty policies must be based on the principle of equity. For these reasons, the Planning Council continues to use the LICO lines as a measure of poverty. As well, due to the widespread use of the LICO by various agencies and institutes throughout Canada, it has become an "informal" standard for measuring poverty.

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[9] National Council of Welfare, Welfare Incomes, 1990, Autumn 1991.

[10] See Appendix D for a summary of these measurements.

3.0 CHILD POVERTY IN WINNIPEG AND MANITOBA

This section provides a statistical profile of the extent of child and family poverty in Winnipeg and Manitoba as of 1989. This profile is based on census families income data collected in the *1989 Survey of Consumer Finances (SCF)*[11], and the 1989 LICO lines.[12] The SCF, for the first time, presents income data for 15 separate metropolitan areas, including Winnipeg. This specific isolation of Winnipeg requires that caution be exercised in analysing the weighted results as the samples were limited in size. Sample sizes below 10 were not used. The results detailed in the tables throughout this report are to be read as "estimates."

In 1989, an estimated 109,782 families[13] lived in Winnipeg. Of these families, 20,694 (18.9%) lived below the LICOs. Of the estimated 179,806 families living in Manitoba, 28,330 (15.8%) had incomes below the LICOs.

Table 3:1 describes the distribution of low-income households of various types for Winnipeg and Manitoba. The table also demonstrates the rate of poverty[14] within each category of household type. In 1989, single individuals made up the largest proportion of poor households in Winnipeg and Manitoba. However, the *risk* of being poor was highest among single-parent households. In Winnipeg, the poverty rate for single-parent families was the highest of all categories at 44.2%. As well, in examining only Winnipeg households with children, the rate of poverty was dramatically lower among two-parent households, at 13.2%, than for single-parent households.

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[11] The sample used in the SCF is the Labour Force Survey sample. This sample represents 98% of the population excluding residents of the Yukon and Northwest Territories, residents of Indian reserves, residents of military barracks and inmates of institutions (i.e. prisons, mental hospitals and homes for the aged). Because the SCF does not distinguish between Aboriginal and non-Aboriginal families, this report does not present 1989 data on the rate of poverty for Aboriginal people as compared to non-Aboriginal people in Manitoba.

[12] The National Council of Welfare estimated Statistics Canada's LICO lines (1986 base) for 1989 for a community size of 500,000 people plus, as the following: One Person - $13,511; Two Persons - $18,314; Three Persons - $23,279; Four Persons - $26,803; Five Persons - $29,284; Six Persons - $31,787; Seven or More Persons - $34,188.

[13] Families being defined as a household of one or two parents with at least one child present who is 17 years old and younger.

[14] The rate of poverty constitutes the percentage within a demographic group living below the poverty line (Statistics Canada's low-income cut-off) in relation to the total within that group. Thus, the poverty rate represents the *risk* of being poor within a specific group.

It is important to recognize that the overwhelming majority of single-parent households are headed by women. In Winnipeg and in all of Manitoba, it was estimated that 98% of the single-parent households who were living below the LICOs in 1989 were female-led (see Table A:1 and Table A:10, Appendix A).

Table 3:1

Rate of Poverty and Percentage of Poor Households by Household Type, 1989

HOUSEHOLD TYPE	WINNIPEG		MANITOBA	
	Households <LICO-86	Rate of Poverty	Households <LICO-86	Rate of Poverty
Single Individual	38,547 (58%)	38%	50,907 (58%)	33%
Husband-Wife No Children	7,167 (11%)	13%	8,198 (9%)	9%
Husband-Wife, With Children	11,867 (18%)	13%	17,004 (19%)	11%
Single Parent	8,827 (13%)	44%	11,326 (13%)	40%
Total Households With Children	20,694 (31%)	19%	28,330 (32%)	16%
Total Households <LICO-86	66,408 (100%)	25%	87,435 (100%)	21%

Source: Statistics Canada, 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

In 1989, an estimated 39,714 children in Winnipeg and 56,427 in Manitoba lived in low-income households. These numbers represent 28% of children in Winnipeg and 22% of children in Manitoba, respectively. As of 1989, the rate of child poverty for Manitoba was the highest compared to all other provinces (see Table A:23, Appendix A). Table 3:2 presents the number of poor children and their percentage by household type and place of residence.

Table 3:2

Rate of Poverty and Percentage of Poor Children by Household Type, 1989

HOUSEHOLD TYPE	WINNIPEG		MANITOBA	
	Children in Households <LICO-86	Rate of Poverty	Children in Households <LICO-86	Rate of Poverty
Two Parent	22,637 (57%)	13%	33,856 (60%)	11%
Single Parent	17,077 (43%)	44%	22,571 (40%)	40%
Total Number of Children In Households <LICO-86	39,714 (100%)	19%	56,427 (100%)	16%

Source: Statistics Canada, 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Although the majority of children living in poverty in Winnipeg and Manitoba lived in two-parent low-income families, a substantial proportion of them lived in single-parent families. The greater risk for children in single-parent families to be poor, than in two-parent families, is reflected in the disproportionate representation of single-parent families among poor households in Winnipeg and Manitoba (see Tables A:1 and A:10, Appendix A).

ii) Education

Table 3:3 presents the distribution of children in low-income households in Winnipeg and Manitoba by the education level of the head of the household. The table also shows the rate of poverty for the children living in these households for each education level.

This table notes that close to one-half (46%) of the children in low-income families have parents with less than a high school education. More importantly, Table 3:3 shows that the rate of poverty is highest among families where the parent has less than a high school education (29%), and lowest among families where the parent has completed high school (13%).

Table 3:3

Rate of Poverty and Percentage of Poor Children by Level of Education of Household Head, 1989

LEVEL OF EDUCATION OF HOUSEHOLD HEAD	WINNIPEG		MANITOBA	
	Children in Households <LICO-86	Rate of Poverty	Children in Households <LICO-86	Rate of Poverty
Less than High School	18,268 (46%)	29%	27,085 (48%)	20%
High School (Completed)	5,560 (14%)	13%	8,464 (15%)	13%
At Least Some Post-Secondary[1]	15,886 (40%)	15%	20,878 (37%)	13%
Total Number of Children in Households <LICO-86	39,714 (100%)	19%	56,427 (100%)	16%

[1] This category is a combination of families whose head had completed post-secondary school with families whose head had some post-secondary education. The two categories were combined because the sample sizes for each were too small to provide an accurate estimation. However, the majority of the heads who fell into this category, for both Winnipeg and Manitoba, were heads with only some post-secondary education (see Table A:4 and Table A:13, Appendix A).

Source: Statistics Canada, 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

iii) Employment Status

Another important category to look at in analysing the characteristics of low-income households is the work status of the head of the household. Table 3:4 shows the distribution of children living in low-income households, for both Winnipeg and Manitoba, by the work status of the head of the household.

This analysis is particularly interesting as the results reveal that the majority of low-income households with children were led by a head who was employed full time for 30 or more weeks per year. What this indicates is that even full-time employment of the parent does not guarantee that children will not be at risk of being poor. In other words, the "working poor" make up a significant proportion of low-income families in Manitoba. Recognizing this fact is essential in examining how policy-makers can effectively target and assist low-income families. For example, inadequate earned income for low-income families can be addressed through income supplements and/or higher minimum wage policies.

In addition to looking at the type of work-status household in which the majority of poor children reside, it is critical that we attend to the rate of poverty for the different types of households. This indicates the risk of poverty associated with a particular labour force status. Although the majority of poor children live in low-income households where the head was working full time (30+ weeks per year), the poverty rate was only 10% for Winnipeg and 9% for Manitoba. Among households in which the head did not work, the rate is 38%. However, what is particularly disturbing is the poverty rate in relation to the "working poor." The poverty rate is 50% for Winnipeg families whose head is working full time for less than 30 weeks per year. The poverty rate is not as high for all of Manitoba under this category (39%) but it is the highest rate among the other work status categories.

Table 3:4

Rate of Poverty and Percentage of Poor Children by Work Status of Household Head, 1989

WORK STATUS OF HOUSEHOLD HEAD	WINNIPEG		MANITOBA	
	Children in Households < LICO-1986	Rate of Poverty	Children in Households < LICO-1986	Rate of Poverty
Did Not Work	11,914 (30%)	38%	15,800 (28%)	35%
Mostly Part Time	6,354 (16%)	37%	7,843 (13.9%)	34%
Full Time/ < 30 Weeks	5,560 (14%)	50%	7,674 (13.6%)	39%
Full Time/ 30+ Weeks	15,886 (40%)	10%	24,828 (44%)	9%
Total Number of Children in Households < LICO-86	39,714 (100%)	19%	56,427 (100%)	16%

Source: Statistics Canada, 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

iv) Age of Child

This section examines the number of young children (six years and younger) present in low-income households. Table 3:5 presents the distribution of low-income households by the number of children, under six years of age, present in the home and the related poverty rate.

Table 3:5

Rate of Poverty and Percentage of Young Children by Households with Children Less Than Six Years of Age, 1989

HOUSEHOLDS WITH CHILDREN <LICO-86	WINNIPEG		MANITOBA	
	Households with Children, <LICO-86	Rate of Poverty	Households with Children, <LICO-86	Rate of Poverty
No Children <6 Yrs. Old	7,473 (36%)	11%	10,935 (39%)	10%
One Child <6 Yrs. Old	8,525 (41%)	30%	10,844 (38%)	25%
Two + Children <6 Yrs. Old	4,696 (23%)	30%	6,551 (23%)	24%
Total Households With Children <LICO-86	20,694 (100%)	19%	28,330 (100%)	16%

Source: Statistics Canada, 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Table 3:5 demonstrates that for a family which has no children under the age of six, the rate of poverty is at a low 11% in Winnipeg and 10% in all of Manitoba. However, the risk of poverty is much higher, at a rate of 30%, for families who have one or more children less than six years of age.

v) Summary: A Profile of Child Poverty

In sum, the majority of poor children are living in two-parent families with a head who has less than high school education but has been employed full time for the year. However, the *risk* of being poor is greatest for a child six years old or younger who is supported by a single mother with less than a high school education working part time or not all.

This profile, demonstrating risk factors related to income poverty in Winnipeg and Manitoba in 1989, is one that is consistent with the profile for 1982 and 1983 presented in the Planning Council's previous research.[15] This research, based on the *1982* and *1983 Survey of Consumer Finances*, demonstrated that children are more likely to be poor if they live in a household led by a single-parent mother, with little education and who is caring for one or more young children. Thus, this consistent portrait of poverty in Winnipeg and Manitoba confirms the existence of specific factors that put children at risk of poverty.[16] The above profile is a critical component in establishing a framework to assist policy-makers in determining the appropriate target and direction for anti-poverty strategies and resources.

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[15] Social Planning Council of Winnipeg, Child Poverty in Manitoba: An Examination of Its Causes and Solutions. (A Brief Presented to the Sub-Committee on Poverty of the House of Commons Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women.) March 1990.

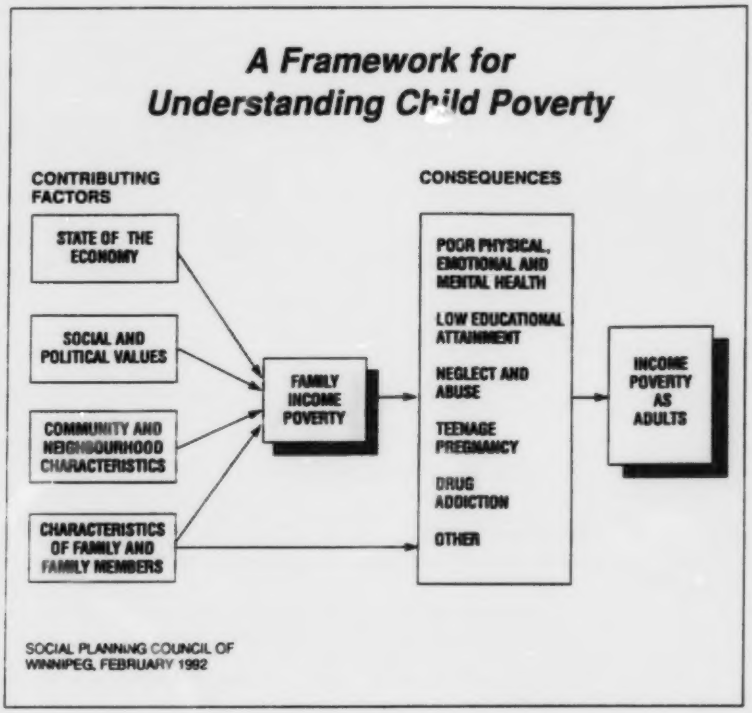
[16] It is essential to point out that research specific to child poverty in Aboriginal communities estimates that, in 1985, the rate of poverty for Aboriginal families in Manitoba was more than three times that of non-Aboriginal families. (See Richard Shillington, "Estimates of the Extent of Native Child Poverty: 1986 Census", February 1990, p. 5.) However, the 1989 database used in this report, and therefore the profile presented in this section, do not make such distinctions.

4.0 CONTRIBUTING FACTORS AND CONSEQUENCES OF CHILD POVERTY

Why are children living in poverty in Winnipeg and Manitoba and what is the impact on children, their families and society as a whole? There is extensive research on the contributing factors of poverty and its various potential consequences. Research has demonstrated that the contributing factors are multiple, but that lack of income continues to be one of the most significant. As for the consequences, both Canadian and American research affirm that problems such as poor health and low educational attainment of children are strongly associated with income poverty. American research, in particular, demonstrates a direct link between increased income and positive outcomes related to education.

In an attempt to sort out the range of factors that contribute to poverty and the consequences that flow from it, we have developed a framework (Diagram 1) to assist in organizing information regarding the possible relationship of some life disadvantages experienced by children to various economic and social factors. This framework, however, is not intended as a comprehensive representation of the complexities involved in the dynamics of income poverty.

Diagram 1


A Framework for Understanding Child Poverty
CONTRIBUTING FACTORS
STATE OF THE ECONOMY
SOCIAL AND POLITICAL VALUES
COMMUNITY AND NEIGHBOURHOOD CHARACTERISTICS
CHARACTERISTICS OF FAMILY AND FAMILY MEMBERS
FAMILY INCOME POVERTY
CONSEQUENCES
POOR PHYSICAL, EMOTIONAL AND MENTAL HEALTH
LOW EDUCATIONAL ATTAINMENT
NEGLECT AND ABUSE
TEENAGE PREGNANCY
DRUG ADDICTION
OTHER
INCOME POVERTY AS ADULTS

SOCIAL PLANNING COUNCIL OF WINNIPEG, FEBRUARY 1992

Overall, this framework demonstrates that no one factor is responsible for children living "poor" lives. The diagram emphasizes that the lack of income, per se, significantly contributes to the consequences of poverty. As well, it acknowledges that some individual circumstances and characteristics of the family, which increase the risk of low income, may be independent factors affecting and contributing to the attendant problems.

4.1 CONTRIBUTING FACTORS

As is described in the diagram, factors contributing to child poverty may be divided into four general categories: the state of the economy, social and political values of the day, characteristics of residential neighbourhoods and communities, and characteristics of families and family members.

i) State of the Economy

The state of the economy plays a critical role in affecting the overall rate of income poverty. When the economy is in a recession or depression, unemployment increases and leads to increased poverty. Also, as the economy continues to become more service-based and as part-time employment increases in traditional services, the result is an increase in economic insecurity for many Canadian workers as such employment tends to have low wages and few benefits.[17] These factors reflect the broad economic structure within which all families function and which are beyond the control of any individual family. The majority of poverty experienced by Canadian families is a result of the overall state of the economy and, just as the economy's status is temporary, so too can be a family's state of poverty. The Economic Council of Canada's current research on poverty demonstrates that about 75% of families who had been identified as poor, in any one year over a five year period, were no longer poor after three years.[18] There is concern, however, that the most recent economic downturn represents a more permanent restructuring of the economy that has left, and will continue to leave, many workers with little support to adjust to the changes. This situation can only contribute to an increase in income poverty and to poverty being more long term.

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[17] Economic Council of Canada, Good Jobs, Bad Jobs: Employment in the Service Economy, 1990, pp. 4, 11-13.

[18] Harvey Lazar and David Beavis, Economic Council of Canada, "Submission to the Sub-Committee on Poverty of the House of Commons Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women, On Child Poverty", February 5, 1991, p. 8.

ii) Value Systems

Beyond the functioning of the economy, society's value system affects the distribution of income. Discrimination based on gender, race, physical or mental abilities, are significant factors that limit a family's income. Discrimination against women and the work that they do in our society is reflected in the unequal distribution of earned income between men and women. The existence of legislative pay equity programs indicates the extent of this discrimination. Although changes are occurring, the reality for many women, especially single parents, is a lower income than the average income for men. In 1988, men employed on a full-time year-round basis earned $33,560 while women earned $21,920, only 65% as much.[19] Discrimination against Aboriginal people is evident in their under-representation in the labour force. In 1986, it was estimated that 22% of Aboriginal people in the labour force in Winnipeg were unemployed compared to only 7.2% of Winnipeg's non-Aboriginal population.[20]

The political environment of the day must also be considered when considering factors that contribute to income poverty. The direction of economic and social public policies is determined by the philosophical perspective that is dominant in society. A key dimension of the current perspective is one which believes economic growth is achieved through deficit reduction and limited tax increases. This perspective is reflected in much of the nation's feeling of being over taxed, deficit burdened and uncompetitive by international standards. As well, the international globalization of economies has prioritized industrial sector interests on many government agendas throughout the world. It is critical to recognize these political factors when considering determinants of income poverty, as these factors affect the direction of a government's anti-poverty policy.

iii) Neighbourhoods and Communities

The neighbourhood of residence also tends to affect the structure of opportunities and incentives available to families to raise their incomes. For example, in 1990, a study of families living in rental housing within the inner city of Winnipeg found that poor housing conditions led to higher rates of family mobility.[21] A significant consequence of these families being highly mobile was an adverse affect on the children, many of whom were found to fall behind in school. Lowered educational attainment potentially puts children at risk of decreased employment opportunities and can lead to enforcing the cycle of poverty.

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[19] National Council of Welfare, Women and Poverty Revisited, Summer 1990, p. 27.

[20] Social Planning Council of Winnipeg, "Winnipeg Census Data: Insights and Trends." (An Information Kit from the Social Planning Council of Winnipeg, May 1989.) p. 6.

iv) Family Characteristics

Contributing factors to income poverty include not only broad economic, social, political and demographic factors but also the individual circumstances and characteristics of families. Research on these individual factors demonstrates an elevated risk of poverty when the head of the household is an Aboriginal person, a single parent, female, has a low level of education and is caring for more than two children.[22] In regard to family status, the Economic Council's research provides further evidence which demonstrates an increased risk of poverty for families that experience "dissolution" (i.e. through separation or death of a partner).[23] Other specific family factors that could affect the immediate ability of the parent to work include the physical, emotional and mental health of the parent. In sum, these various characteristics affect the level of family income by decreasing the amount or value of labour which the family can supply.

For most families, the experience of income poverty is temporary or cyclical, as the family's income changes with the changing economy. But for a significant minority of families that face circumstances which make it difficult for them to earn an adequate income, it can be long term.

4.2 CONSEQUENCES

As demonstrated in the diagram, the well-being of a child can be at risk due to family income poverty or individual characteristics of the family, or both. It is important to consider the inter-relationship of all of these factors when we look at possible consequences of income poverty because the effects on children often interact with each other. Canadian research has provided significant evidence that strongly links income poverty to negative life outcomes. This evidence is strengthened with the experimental income maintenance research that has been done in the United States. This latter research provides critical evidence on how income poverty, per se, *directly* relates to negative life outcomes.

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[21] Social Planning Council of Winnipeg, The Impact of Rented Housing Conditions on the Academic Performance of Elementary School Children in Two Inner City School Catchment Areas in Winnipeg (Dufferin and William Whyte). A Report prepared by the Social Planning Council of Winnipeg for the City of Winnipeg's Community and Race Relations Committee. October 1990.

[22] Social Planning Council of Winnipeg, Child Poverty in Manitoba: An Examination of Its Causes and Solutions.

[23] Lazar and Beavis, p. 10.

i) Health

Canadian research has demonstrated how low income has an influence upon factors related to the well-being of children.[24] For example, despite an overall reduction in mortality from all causes among all income groups from 1971 to 1986, the mortality rate for children in the lowest income families remained 56% higher than the rate for children in higher income families in 1986.[25] Children living in low-income neighbourhoods were at greater risk of dying from accidental injuries or violence than children from higher-income neighbourhoods.[26] Research from Ontario's Children at Risk study shows that a child living in a family on social assistance is at a higher risk of developing psychiatric disorders (prevalence rate of 31%) than children not on social assistance.[27]

Furthermore, a low income limits the quantity and quality of goods and services that a family can access and this in turn affects the quality of life for children in these families. For example, limited access to quality food affects adequate nutritional intake[28] which subsequently affects physical and emotional health during a child's formative years. Research also indicates that limited access to quality food during pregnancy is attributable to low birth weight which not only leads to a higher risk of child disability, lower IQs and developmental delays but also to a higher mortality rate.[29] These negative life conditions during and after birth hinder child development.

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[24] Canadian Institute of Child Health, The Health of Canada's Children: A CICH Profile (Ottawa: Canadian Institute of Child Health, 1989); Canadian Teachers' Federation, Children, Schools and Poverty, June 1989; Nova Scotia Nutrition Council, Children in Poverty: A Nutritional Perspective, (Prepared for the Standing Committee on Health and Welfare of the House of Commons Sub-Committee on Poverty.) March 1990; Dan Offord et al. Ontario Child Health Study: Children at Risk (Toronto, Ontario: Queen's Printer for Ontario, 1990); David P. Ross and Richard Shillington, "Child Poverty and Poor Educational Attainment: The Economic Costs and Implications for Society" (Prepared for the Standing Committee on Social Affairs, Science and Technology.) Ottawa, May 1990; Catherine Ryerse, Thursday's Child - Child Poverty in Canada: A Review of the Effects of Poverty on Children (Ottawa, Ontario: National Youth in Care Network, 1990.); Russell Wilkins, Owen Adams and Anna Brancker, "Changes in Mortality by Income in Urban Canada from 1971 to 1986", in Health Reports, Vol. 1, No. 2.

[25] Canadian Institute of Child Health, The Health of Canada's Children: A CICH Profile, p. 97.

[26] Canadian Institute of Child Health, p. 99.

[27] Dan Offord et al., Ontario Child Health Study: Children at Risk, p. 20.

[28] Barbara A. Davis, "Children, Poverty and Nutrition: A Canadian Overview", in Nutrition Quarterly, Vol. 15, No. 2, 1991, p. 37.

ii) Education

Critical to a child's healthy development is a positive educational experience. Research indicates, however, a link between low birth weight and poor educational attainment. In an analysis of poverty and educational attainment, Ross and Shillington suggest a link between low birth weight and the tendency of children to drop out of school.[30] Not only does poor health limit a child's ability to cope with an academic environment, but lack of income inhibits children from partaking in cost-related school activities reinforcing the discomfort with school which can lead to dropping out. Ross and Shillington, further estimate that 16 and 17 year old youth living in poor households, are almost twice as likely to drop out of school than youth from non-poor families.[31]

Experimental research from the United States provides unequivocal evidence of positive effects from increasing family income, with particular regard to education.[32] For example, some of this research demonstrates how increasing income supplements for low-income families increases the likelihood that teenage children in the family will remain in school. A study, based on data from the *Seattle and Denver Income Maintenance Experiments (SIME-DIME)*, details youth's choices between staying in school or working and indicates that an increase in income maintenance benefits reduced the probability of youth between the ages of 18 and 21 leaving school by an average of about 30%. The study also notes that income maintenance has little effect on discouraging school attendance or work in favour of leisure.[33]

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[29] David P. Ross and Richard E. Shillington, "Child Poverty and Poor Educational Attainment: The Economic Costs and Implications for Society", pp. 10-11.

[30] David P. Ross and Richard E. Shillington, p. 11.

[31] David P. Ross and Richard E. Shillington, p. 15.

[32] See: Sheldon Danziger, "Education, Earnings and Poverty", (University of Wisconsin-Madison: Institute for Research on Poverty) A Discussion Paper, August 1989; John McDonald and Stanley Stephenson, "The Effect of Income Maintenance on the School-Enrollment and Labor-Supply Decision of Teenagers", in Journal of Human Resources (Fall 1979) pp. 488-495; Steven F. Venti, "The Effects of Income Maintenance on Work, Schooling, and Non-Market Activities of Youth", in The Review of Economics and Statistics, 1983, pp. 16-24.

[33] Steven F. Venti, "The Effects of Income Maintenance on Work, Schooling, and Non-Market Activities of Youth", p. 23.

4.3 SUMMARY

Research demonstrates that various economic, social, political and demographic factors contribute to child income poverty. Research also indicates that the consequences of low income on children include various negative life experiences such as poor health and low educational attainment. The consequences of poverty on today's child will also impact on tomorrow in terms of increased government costs in health care, an under-educated population and a decrease in employment productivity. These are only a few of the many potential negative outcomes.

This section demonstrates how a lack of income is a significant contributing factor to the problem of children living in poverty, and alternately, reveals how an increase in family income has direct positive effects for children in poor families. Thus, as we turn to examine solutions to child poverty, an *effective* income security system must be a fundamental component of policy-makers' anti-poverty strategies. The following sections will first review the current Manitoba income security system as it affects poor families and second, provide recommendations on reforming the system.

5.0 INCOME SECURITY SOLUTIONS TO CHILD POVERTY: THE CURRENT SYSTEM

Although it is not the only contributing factor to the physical, educational and psychological impoverishment of children, income poverty, per se, does play a *direct* role in developing poor life outcomes for children. Research also indicates that income security is an effective means of alleviating such deleterious effects of income poverty.

In examining how Manitoba's income security system responds to children in poverty, the Planning Council has selected the following five programs for review: Provincial Social Allowances, Municipal Welfare (Winnipeg), Child-Related Income Support Program (CRISP), Shelter Allowance for Family Renters (SAFFR), and Manitoba Cost of Living Tax Credit (CLTC). These programs are the major provincially-administered income support programs that target children. The following summary of these programs provides a brief description regarding program size, costs and impacts. The specific regulations of the programs are found in Appendix B.

5.1 PROVINCIAL SOCIAL ALLOWANCE

The Social Allowances program is the largest of the five programs in terms of the number of family recipients and dollars spent for financial assistance. For the fiscal year 1989-90, an average of 24,573 Manitoba families received monthly social assistance at a total annual cost of $167,343,000. Manitobans who turn to social allowance for assistance are turning to a program of last resort against destitution. Those eligible include people who are unemployable due to mental or physical health problems, single parents with at least one child under age 18 at home, a child in the care of a Child and Family Services agency[34], and a person in a post-secondary education program. Eligibility is determined by a needs test. The costs of the family's basic necessities are calculated according to a statutory formula and deducted from the family's financial resources. Assistance is provided to cover any remaining deficit.

In 1983, an extensive review of the Social Allowances program in Manitoba revealed numerous problems. The stringent needs test, combined with the wide range of discretion, was found to result in benefits which were often inequitable, inconsistent and unfair.[35] The program was also found to discourage clients and hinder initiatives toward ending dependence. There was insufficient program support to help clients re-enter the labour market. Benefit rates were found to be inadequate as the definition of "basic necessities" did not reflect the needs of recipients; nor did the pricing of the goods reflect the cost of living. The rates fell between 39% and 63% of Statistics Canada's LICOs at the time.[36] This low percentage of the poverty line has changed little. As of January 1991, Manitoba's social assistance rates were 46.5% of the LICOs. In a provincial comparison, Manitoba rated eighth lowest in the percentage of social assistance rates relative to the LICO.[37] In January 1992, the basic allowance rate was increased by 3%, the shelter allowance was increased by 3.6% and a $60 monthly benefit was added on to the allowance for the disabled. In relation to the 1991 LICOs, these increases still leave social assistance recipients in Manitoba at 48% of the poverty line.

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[34] Although children taken into care by Child and Family Services are detailed as eligible for social assistance under the Social Allowances Act, the monies appropriated for them are taken out of the Child and Family Services budget and not Income Security's Budget. (See the Manitoba Family Services 1989-90 Annual Report, pp. 65-66.)

In addition to this 1983 review, an evaluation of the Social Assistance rent guidelines in 1987 found them to be inadequate in providing 'fair' access to the private rental market in Winnipeg. The data used by the Social Allowance program, (Rent Regulation Bureau) substantially over-reported the number of low-rent units in Winnipeg. Instead of 30% of the rental market being within social assistance guidelines, it was found that the guidelines command at most 13% of the rental market.[38] As a result, it was recommended that the Social Assistance Department develop fair and adequate guidelines for shelter needs based on the principle of equality of access, meaning a 'fair' rent guideline. Further, it was recommended that the Department use the proportion of the rental market subsidized in the Shelter Allowance For Elderly Renters (SAFER) and SAFFR programs as a standard for setting the Social Assistance rent guidelines.

In 1988, the Social Allowance program underwent a review, along with CRISP and SAFER. Overall, the evaluation found that the Social Allowance program was carefully administered and that the risk of significant, undetected abuse of the system was not substantial. It was recommended, however, that changes should be made to the Work Incentive Program to reduce the penalty for obtaining employment while on assistance. It was suggested that provision be made for a sliding scale which would exempt 50% of earned income up to the maximum budget entitlement for up to six months. Further recommendations included a review of the policy regarding the eligibility for disabled persons based on gender, for the establishment of guidelines for the pursuit and establishment of maintenance orders for mothers' allowance cases, and for the standardization of records and databases between the City of Winnipeg and the provincial social allowance system.[39]

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[35] Manitoba Task Force on Social Assistance. Report of the Manitoba Task Force on Social Assistance. Winnipeg, Manitoba, 1983, p. 68.

[36] Manitoba Task Force on Social Assistance, pp. 49-52.

[37] David P. Ross, "The Facts on Income Security, 1990," in Perception: Canada's Social Development Magazine, Spring 1991, p. 13.

[38] Social Planning Council of Winnipeg, "Evaluation of the Provincial Social Assistance Rent Guidelines", February 1991.

The situation of teenage mothers attempting to access social assistance is conveyed in the Manitoba Ombudsman's 1989 Annual Report. The report demonstrates the need for clearer program guidelines and flexibility in providing social assistance to a teenage mother who is capable of caring for herself and child(ren).[40]

Table 5:1

Social Allowance - Number of Beneficiaries and Benefit Expenditures

YEAR	NUMBER OF BENEFICIARIES[1]	BENEFIT EXPENDITURES ($000s)[2]
March 1985	22,128	106,881
March 1986	22,665	118,266
March 1987	23,233	126,790
March 1988	23,285	140,660
March 1989	23,813	153,171
March 1990	24,573	167,343

[1] Represents the average number of family or individual cases per month; does not include children in care under the Manitoba Child and Family Services Act.

[2] These expenditures do not include the costs for children in care under the Manitoba Child and Family Services Act.

Source: Annual Reports for the Manitoba Department of Employment Services and Economic Security (1983 to 1989) and the Department of Family Services (1989-90).

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[39] Stevenson Kellogg Ernst & Whinney. A Review of Economic Security Programs: Final Report. (Prepared for Hon. Clayton Manness, Minister of Finance, Manitoba Government.) Winnipeg, Manitoba, December 14, 1988.

[40] Ombudsman Manitoba, 1989 Annual Report of the Ombudsman. Winnipeg, Manitoba, 1989, p. 41.

5.2 MUNICIPAL WELFARE (WINNIPEG)

Manitoba is one of three provinces in Canada which has maintained a two-tiered social assistance structure in which the municipality is responsible for "unemployed employable" clients. The 1983 Task Force was critical of how this system categorizes clients, resulting in disparities to eligibility and benefits.[41] Despite this criticism, the system remains in place in Manitoba as well as other jurisdictions.[42] However, single-parent male-headed families are now eligible for provincial assistance.

As with provincial social assistance, the Municipal Welfare program (Winnipeg) provides financial assistance for people within the City of Winnipeg who do not have the financial resources to meet their basic needs. However, to be eligible for municipal welfare, the recipient must be an unemployed employable person or unemployed for a short period of time due to an emergency or crisis situation (at the time of application). Eligibility is determined through a means test in which the financial resources of the client are deducted from the costs of the client's basic necessities. If the client's financial resources are unable to meet the costs of basic necessities, assistance is provided. In addition to the basic benefit, municipal allowance also provides some monies for extra costs related to essential services, emergencies and education (see Appendix B). In 1990, an average of 8,396 people received monthly municipal welfare at an annual cost of $54,912,000.

Table 5:2

Municipal Welfare (Winnipeg) - Number of Beneficiaries and Benefit Expenditures

YEAR	NUMBER OF BENEFICIARIES[1]	BENEFIT EXPENDITURES ($000s)[2]
1985	7,872	35,957
1986	7,589	37,871
1987	7,598	41,755
1988	7,245	44,676
1989	7,491	48,122
1990	8,396	54,912

[1] Average number of beneficiaries at end of each month.
[2] Expenditures for financial assistance only.

Source: Social Services Department, City of Winnipeg, July 1991.

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[41] Manitoba Task Force on Social Assistance, pp. 43-45.

[42] Social Assistance Review Committee. Report of the Social Assistance Review Committee: Transitions. Toronto 1988.

5.3 CHILD-RELATED INCOME SUPPORT PROGRAM (CRISP)

Income support or supplementation represents a different dimension of the traditional income security system. Income security is essentially an alternative for people unable to earn a wage. It assumes that people who are working are not at risk of poverty. Income supplementation, on the other hand, assumes the existence of the "working poor" and offers a form of income supplement to assist in alleviating the risk of poverty for some of these individuals/families.

Despite attempts to adopt a national income supplement program, some provinces have developed their own programs. In 1981, Manitoba implemented the Child-Related Income Support Program (CRISP). The objective of this program is to assist low-income families in meeting costs associated with caring for children. Financial eligibility is determined by a net family income test. In 1991, the maximum monthly benefit was $30 per child at a net family income level of $12,384 or less. The benefit was reduced one dollar for every $48 above $12,384. CRISP benefits are non-taxable. However, if a family is receiving provincial social assistance, the benefits are 100% tax-backed and considered as part of the social assistance entitlement.[43] In this situation, the CRISP benefits, as a part of social assistance, would be cost-shared under the Canada Assistance Plan (see Appendix B). For the fiscal year 1989-90, a monthly average of 7,133 Manitoba families (16,187 children) received CRISP benefits each month at an annual expenditure of $5,537,000.

In 1988, an evaluation of CRISP resulted in the recommendation that a thorough review of CRISP files was necessary and should include a "reassessment of administrative practice in the context of social assistance, federal tax regulation changes and the overall income support policy of the provincial government."[44]

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[43] CRISP benefits are not tax-backed for municipal assistance recipients.

[44] Stevenson Kellogg Ernst & Whinney, p. 20.

Table 5:3

CRISP - Number of Beneficiaries and Benefit Expenditures

YEAR	NUMBER OF BENEFICIARIES	BENEFIT EXPENDITURES ($000s)
1982-83	8,686[1] (N.A.)[2]	6,372
1983-84	9,409[1] (22,209)[2]	6,684
1984-85	8,017[1] (18,542)[2]	6,114
1985-86	7,645[1] (17,345)[2]	5,720
1986-87	8,104[1] (18,433)[2]	7,221
1987-88	8,058[1] (18,535)[2]	6,188
1988-89	7,710[1] (17,673)[2]	5,821
1989-90	7,133[1] (16,187)[2]	5,537

[1] Represents the average number of families per month.

[2] Represents the average number of children per month.

Source: Annual Reports for the Manitoba Department of Employment Services and Economic Security (1983 to 1989), the Department of Family Services (1989 to 1990) and Health and Welfare, Inventory of Income Security Programs, July 1985.

5.4 SHELTER ALLOWANCE FOR FAMILY RENTERS (SAFFR)

In 1981, Manitoba Housing introduced an income supplement program entitled Shelter Allowance for Family Renters (SAFFR). The program's objective is to assist low-income families who are renting in the private rental market and are spending more than 25% of their income on rent. Financial eligibility is determined by a net income test. The maximum claimable rent is set by the Board of Directors of the Manitoba Housing and Renewal Corporation. In 1990, the maximum benefit allowable was $410 for a family of two, $440 for a family of three and $465 for a family of four or more.

The maximum benefit available to families for 1990 was $170 per month. The actual benefit is calculated on the basis of rental costs, income and family size. SAFFR benefits are not taxable, however, they must be deducted from annual property tax credit entitlements with any remainder to be paid to the recipient. This program is not available to families on municipal or provincial social assistance (see Appendix B). For the fiscal year 1989-90, 1,934 families received SAFFR benefits at an annual expenditure of $1,524,000.

Table 5:4

SAFFR - Number of Beneficiaries and Benefit Expenditures

YEAR	NUMBER OF FAMILIES	MONTHLY BENEFITS - ONE PARENT[1]	MONTHLY BENEFITS - TWO PARENT[1]	Total Year Benefit Expend. ($000s)
1984-85	2,292	$100.05	$101.09	1,513
1985-86	2,292	$102.66	$101.67	1,557
1986-87	2,071	$101.04	$109.55	1,447
1987-88	1,969	$115.37	$120.00	1,458
1988-89	2,012	$118.59	$115.81	1,558
1989-90	1,934	$124.27	$127.27	1,524

[1] The categories of "One Parent" and "Two Parent" families were changed in 1987 to "Two Person" and "Three Person" households.

Source: Annual Reports of the Department of Manitoba Housing.

5.5 COST OF LIVING TAX CREDIT (CLTC)

Manitoba's Cost of Living Tax Credit program was introduced in 1974 to help reduce the amount of taxes payable for people with low incomes. The credit is calculated by adding a fixed amount (related to an individual's circumstances) to family net income and subtracting 1.0% of this income. The credit value changes in accordance with changes to the Provincial Sales Tax (see Appendix B). For the program year of 1989, 387,000 Manitobans claimed this tax credit at an annual cost of $71,600,000.

Table 5:5

Cost of Living Tax Credit - Number of Claimants and Benefit Expenditures

FISCAL YEAR	PROGRAM YEAR	NUMBER OF CLAIMANTS	BENEFIT EXPENDITURES ($000s)
1986-87	1985	310,000	36,500
1987-88	1986	307,000	36,900
1988-89	1987	374,000	61,700
1989-90	1988	392,000	72,600
1990-91	1989	387,000	71,600

Source: Manitoba Finance, June 24, 1991.

6.0 A THREE-STAGE APPROACH TOWARD REFORMING THE MANITOBA INCOME SECURITY SYSTEM

This section details a three-stage process toward building a more effective provincial income security system, thus taking steps toward eliminating child poverty.

Designing an effective and efficient income transfer program for families with children requires adherence to three structural principles. First, the program must be specifically child-related; only family units with children are eligible to receive benefits. Second, the program must be target-efficient; the money only goes to family units with an income below the poverty line. Finally, the benefit structure must be "progressive"; family units in greatest need receive the most benefits (the amount of the benefit is inversely proportional to the pre-transfer household income). These three principles ensure that children in poor families will receive *all* the program funds and that these funds will be delivered to those in greatest financial need.

Manitoba's Child-Related Income Support Program (CRISP) currently incorporates all three of these fundamental principles. Thus, with this foundation in place, the following examines the adequacy of the current benefit levels of CRISP and presents reform options based on enhancing the generosity[45] and extending the coverage of CRISP.

The proposed reforms to CRISP and the respective costs, coverage and effectiveness of each reform are presented in three stages. The first stage, directed at helping families who are furthest below the poverty line (LICO-1986), examines the impact of eliminating the tax-back on CRISP for social allowance recipients. Currently, social allowance recipients are eligible for CRISP, however, CRISP benefits reduce Social Allowance benefits dollar-for-dollar. The second stage examines the impact of increasing the CRISP benefit levels for current CRISP recipients as well as for the additional eligible social allowance recipients. The third stage examines the impact of extending CRISP to additional families whose income is below the LICOs but not as far below as in Stage One and Stage Two.

The simulations presented in this section are based on income data from the *1989 Survey of Consumer Finances* and on 1989 CRISP program information (i.e. eligibility criteria). All of the original simulations assumed a 100% participation rate. No income transfer program in Canada has achieved a 100% participation rate by its eligible population. Recognizing this, estimates of the reform impacts are presented at 65% under Stage One and 70% under Stage Two and Stage Three. A summary of these estimated impacts for Winnipeg is found in Table 6:4.

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[45] "Generosity" is a term employed by program administrators to describe the *quantitative* value of program benefits.

All of the numbers presented in the simulations are weighted estimates. The estimation of the poverty gap was calculated using Statistics Canada's LICOs (1986 base) at 100% of its 1989 value.[46]

6.1 STAGE ONE: EXTENDING CRISP BENEFITS TO SOCIAL ALLOWANCE RECIPIENTS

Under Stage One of the reform, CRISP is extended to social allowance recipients with children. The rationale which underlies this first stage is to ensure the delivery of income support to children within the poorest families.

In 1989, an estimated 6,398 families in Winnipeg were eligible for CRISP benefits (see Table 6:1). The average annual benefit cost was $231 for each recipient family, for a total cost of $3.1 million. The poverty gap for these families was an estimated 42% of the LICO - approximately $10,178 below the low-income lines.

With the tax-back on CRISP benefits eliminated for social allowance recipients, it is estimated that the number of recipients would increase by 7,052 families in Winnipeg to a total of 13,450. The impact on poverty at this stage of reform is revealed in a 2.0% reduction of the poverty gap (42% to 40%). The average annual benefit cost would increase to $644. The total benefit costs would increase by $5.6 million to a total of $8.7 million in Winnipeg.

It is important to note that the numbers and dollar values in Table 6:1 assume a 100% participation rate. In order to estimate the actual rate, the simulated estimates for Manitoba were compared to the numbers in the program's 1989 administrative records.[47] This demonstrated a 65% participation rate. Thus, assuming that participation is random, it is estimated that, in 1989, 4,159 families participated in CRISP in Winnipeg at a total program cost of about $2 million, and 7,324 in Manitoba at a total program cost of $4.4 million (see Table 6:4).

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[46] The poverty gap is the weighted mean difference between the LICO (1986 base) and actual income for those below the LICO. See p. 7, Footnote 11, for 1989 LICO estimations.

[47] The administrative data for CRISP is recorded on a fiscal year basis. The average number of Manitoba families that received benefits for 1989 was recorded at 7,421. This number of recipients is only slightly higher than what we have estimated from the simulation for Manitoba (7,324 as 65% of 11,267). In order to maintain a common base number for all the simulations, we have used the simulated estimate of 7,324 recipients.

Table 6:1

Extension of CRISP Benefits to Social Allowance Recipients, 1989

CRISP	WINNIPEG	MANITOBA
Estimated Number of Families Eligible for CRISP[1]	6,398	11,267
Average Annual Benefit[2]	$231	$333
Total Benefit Costs[2]	$3,111,014	$6,822,997
Poverty Gap ($) (%)	$10,178 (42%)	$9,322 (41%)
CRISP Reform Impacts		
Eligible Social Allowance Recipient Families Covered	7,052	9,196
Total Number of Families Covered	13,450	20,463
Poverty Gap ($) (%)	$9,719 (40%)	$8,989 (40%)
CRISP Reform Costs[3]		
Average Annual Benefit	$644	$677
Add'l Total Benefit Costs	$5,553,986	$7,043,543
Total Benefit Costs	$8,665,000	$13,866,540

[1] Estimations assume a 100% participation rate.

[2] Cost estimates assume a 100% participation rate. Currently, the CRISP program does not track the actual participation rate. However, in comparing the simulated estimates to the Program's administrative records for 1989, it is estimated that the participation rate was 65% for the current program. Thus, if participation is random, this will yield a cost estimate that is 65% of what is presented in this table.

[3] These cost estimates represent a 100% participation rate. It is anticipated that all of the additional eligible families under the reformed CRISP will participate as they will automatically receive the benefit as recipients of Social Allowance. Further, the additional costs under this reform will be cost-shared under CAP.

Source: Statistics Canada, 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Because the extension of CRISP to social allowance recipients would be done through the Social Allowance Program's payment system, all of the additional eligible social allowance families would benefit, resulting in a participation rate of 100% for these additional families. However, assuming a participation rate of 65% among the eligible CRISP recipients, the *actual* total number of families would be 11,211 (4,159 + 7,052) in Winnipeg and 16,520 (7,324 + 9,196) in Manitoba. The corresponding gross costs would be an estimated $7.6 million for Winnipeg and $11.2 million for Manitoba (see Table 6:4). However, under the Canada Assistance Plan (CAP), the Federal Government would pay one-half of the cost of the additional benefits to the social allowance recipients, resulting in estimated net costs of $4.8 million and $8.0 million for Winnipeg and Manitoba, respectively.

Set against these estimates of the additional families covered under this first stage of reforming CRISP and the cost of extending the benefits, Table 6:1 reveals that the depth of poverty experienced by these families is reduced only 2.0% (42% to 40%) for Winnipeg. While the depth of poverty is barely affected for these families, the extension of CRISP to eligible families on social allowance is a crucial beginning to any reform of CRISP as it delivers benefits to the poorest families.

6.2 STAGE TWO: INCREASING THE BENEFIT GENEROSITY FOR CRISP RECIPIENTS AND ELIGIBLE SOCIAL ALLOWANCE RECIPIENTS

As indicated in the first stage of reform, the extension of CRISP to social allowance recipients does not significantly reduce the poverty gap. Stage Two examines further changes required to reduce this gap for children within the poorest of Winnipeg families[48] by increasing the generosity of the CRISP benefits.

Considering that this option targets the poorest families, significant expenditures are required to have a substantial effect on the poverty gap for these families. Table 6:2 summarises the impacts of this option at a 100% participation rate.

Under Stage Two the benefit levels are first doubled to $60 per month and, to hold constant the number of eligible families, the tax-back rate of two dollars for every $48 of income above the threshold is also doubled. Despite this double increase in the benefit generosity for the targeted poorest families (13,450 in Winnipeg), the poverty gap is again only slightly reduced, down to

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[48] Recognizing the Planning Council's mandate, analyses in Stages Two and Three focus on Winnipeg only. Similar data for Manitoba is presented in Appendix C.

39% or $9,319 below the LICO. With this limited effect, the simulation was modified to increase the generosity of the benefits five times. The effect on the poverty gap was improved but not substantially, decreasing to 34% or $8,132 below the LICO. The five-times increase in Stage Two, at a 100% participation rate, adjusts the costs by an additional $34.7 million, resulting in a total of $43.3 million. With the poverty gap still at 34%, it becomes very clear how extensive the depth of poverty is for the poorest families. As such, income support efforts must be increased substantially to raise all of these families out of poverty at 100% of the LICO.

Table 6:2

Summary of Stage Two Reform Impacts[1] (Winnipeg, 1989)

CRISP	Baseline CRISP (Stage One Reforms)	Benefit x 2	Benefit x 5
Number of Beneficiaries	13,450	13,450	13,450
Average Annual Benefit Cost	$644	$1,288	$3,221
Total Annual Benefit Costs	$8,665,000	$17,330,000	$43,325,000
Poverty Gap ($) (%)	$9,719 (40%)	$9,319 (39%)	$8,132 (34%)

[1] All of the reform impacts (number of recipients and dollar costs) assume a 100% participation rate.

Source: Statistics Canada, 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

At a participation rate of 70%[49] among these eligible CRISP families, the total number of Winnipeg families taking up this reformed version of CRISP is 11,531 (4,479 + 7,052) at an estimated gross cost of $14.9 million for the "Benefit x 2" version and $37.1 million for the "Benefit x 5" version (see Table 6:4).

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[49] It was assumed that the actual participation rate among the original CRISP families would increase from 65% considering that the benefits would be more generous and encourage more families to participate. Seventy per cent was assumed to be a legitimate participation rate considering that the rate for single parents receiving social assistance has been estimated at 71%. (see: Rebecca Blank and Maria Henratty, Responding to Need: A Comparison of Social Safety Nets in the United States and Canada. A Paper presented at a North American Conference on U.S. and Canadian Labour Markets, Donner Foundation, U.S., January 1991.)

6.3 STAGE THREE: EXTENDING CRISP COVERAGE TO MORE FAMILIES

The rationale behind this third stage of reform is to provide benefits to additional families who are below the LICO but not as far below as those families in Stage One and Two, that is, they are not as poor. The summary of the impacts of this stage of reform is provided in Table 6:3.

The simulation for Stage Three is based on the benefit level "x 5" but with the tax-back rate reduced from one dollar for every $48 above the income threshold to one dollar for every $96 above the threshold. This doubling of the maximum earned income "breathing space" or increment level results in capturing more families who are eligible for CRISP benefits who have an income level above those who are the poorest. The simulation results, at a 100% participation rate, demonstrated that an additional 1,415 Winnipeg families would receive CRISP benefits, resulting in a total of 14,865 recipients in Winnipeg. There would be a reduction in the average annual baseline benefit cost as the additional number of recipient families would have a slightly higher income than the baseline recipients and therefore would receive less than the maximum benefit. Thus, increasing the baseline average benefit five times results in an average benefit of $3,127. The total benefit costs would increase, with the additional number of recipients, to a total of $46.5 million. In this version of Stage Three, the overall poverty gap is reduced in Winnipeg to 34% or $8,017 below the LICO.

The simulation was then modified to increase the increment level five times. The increase from $48 to $240 leads to an additional 4,820 Winnipeg families receiving CRISP benefits and results in a total of 18,270 recipients (assuming a 100% participation rate). The average annual benefit cost would be $2,835. The total benefit costs would increase to $51.8 million. Under this third stage of reform, the poverty gap is reduced to 30% or $7,340 below the LICO.

Table 6:3

Summary of Stage Three Reform Impacts[1] (Winnipeg, 1989)

CRISP	Baseline CRISP (Stage One Reforms)	Increment x 2, Benefit x 5	Increment x 5, Benefit x 5
Number of Beneficiaries	13,450	14,865	18,270
Average Annual Benefit Cost	$644	$3,127	$2,835
Total Annual Benefit Cost	$8,665,000	$46,488,000	$51,792,000
Poverty Gap ($) (%)	$9,719 (40%)	$8,017 (34%)	$7,340 (30%)

[1] All of the reform impacts (number of recipients and dollar costs) assume a 100% participation rate.

Source: Statistics Canada, 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

At a participation rate of 70% among eligible families, a total number of 12,521 Winnipeg families would participate in CRISP under the "Increment x 2, Benefit x 5" version at a total estimated cost of $39.2 million; and 14,905 under the "Increment x 5, Benefit x 5" version at a total estimated cost of $42.3 million (see Table 6:4).

6.4 CRISP REFORM IMPACTS AT DIFFERENT PARTICIPATION RATES

Table 6:4 is a summary of the cost impacts of the three stages of reform at participation rates of 65% in Stage One and 70% in Stages Two and Three.

Table 6:4

CRISP Reform Impacts at Participation Rates of
65% (Stage One) and 70% (Stage Two and Three), Winnipeg 1989

CRISP Reformed (Winnipeg)	Number of Beneficiaries	Benefit Expenditures ($000s)
STAGE ONE	11,211	$7,600
STAGE TWO		
Benefit x 2	11,531	$14,900
Benefit x 5	11,531	$37,100
STAGE THREE		
Increment x 2, Benefit x 5	12,521	$39,200
Increment x 5, Benefit x 5	14,905	$42,300

Source: Statistics Canada, 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

6.5 SUMMARY OF CRISP REFORMED

The reform options are presented on a progressive scale, from the **first stage** of eliminating the tax-back on CRISP for social allowance recipients to the **second stage** of increasing the levels of the benefit generosity and to the **third stage** of extending CRISP to more poor families. The cost of these reforms vary according to the underlying rationales and increase with each successive change.

The most extensive option, as presented in Stage Three, assists an estimated 14,905 Winnipeg families at a total cost of $42.3 million (at a participation rate of 70%). Based on this option, the overall impact on poverty is a reduction of the poverty gap by 12% (42% to 30%).

6.6 THE REFORM IMPACTS UNDER DIFFERENT DEFINITIONS OF INCOME POVERTY

Providing solutions to child poverty requires setting realistic investment guidelines and short- and long-term goals. Recognizing that provincial governments, on average, are providing social assistance throughout the country at barely 50% of the LICO, it may be more realistic to consider 60% or 75% of the LICO as starting points for governments to achieve as they develop approaches toward the elimination of poverty. As such, this report estimates the impact on the poverty gap, for the three stages of reform, relative to levels of the LICO that are less than 100% of its value. This does not deny the legitimacy of the LICOs. Rather, it acknowledges the relative nature of the LICOs and sets more attainable, intermediate benchmarks.

Table 6:5 presents a summary of the reform impacts on the poverty gap, for the maximum option of each stage of reform, at different levels of the LICO (see Table A:20, Appendix A for details on all of the options).

Table 6:5

CRISP Reform Impacts on the Poverty Gap[1] at
75% and 60% of the LICO-1986 (Winnipeg, 1989)

CRISP REFORMS	Poverty Gap at $ and (%) Values		
	At 100% of LICO	At 75% of LICO	At 60% of LICO
Stage One	$9,719 (40%)	$4,113 (23%)	$1,472 (10%)
Stage Two - Benefit x 5	$8,132 (34%)	$2,925 (17%)	$858 (6%)
Stage Three - Increment x 5, Benefit x 5	$7,340 (30%)	$2,362 (13%)	$632 (5%)

[1] These estimated impacts on the poverty gaps were calculated assuming a 100% participation rate. However, assuming that participation remains random, these varied poverty gap estimates are assumed to remain constant at varied participation rates.

Source: Statistics Canada, 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Thus, considering, for example, that an estimated $42.3 million would be spent on a reformed CRISP under Stage Three (see Table 6:4), this brings the poorest Winnipeg families to an estimated 30% of the 100% LICO. However, if we consider the LICO at 75% of its value as a starting objective, a poverty gap of 13% seems to be a more feasible benchmark (see Table 6:5). These calculations provide the government with a broad range from which to assess the costs and impacts of these various proposed reforms.

7.0 COST OF THE REFORMS

The costs of the proposed reforms are not small. These costs demonstrate how extensive child poverty is in Winnipeg and Manitoba and further emphasize the urgent need for solutions.

Recognizing the magnitude of the challenge before us, it is critical to put forth prioritized policy reforms within an informed context. Proposed recommendations must offer flexibility and advocate for both short and long-term strategies toward eliminating child poverty in Winnipeg and Manitoba.

This report focuses on a three-stage approach to reforming the Child-Related Income Support Program (CRISP). The varying levels of costs for these proposed stages of CRISP reform are based on different rationales: the first stage targets children in families who are the poorest; the second stage further assists these families; the third stage targets more poor families. Stage Three presents the most generous reform for poor families in Winnipeg and Manitoba at a total cost of $42.3 million and $68.5 million, respectively.[50]

Determining the funding source for the implementation of these CRISP reforms is beyond the mandate of this report. However, it is essential that the Provincial Government recognize that addressing child poverty today will lead to future reductions in health-care costs, greater educational attainment of young people and overall increased employment productivity.

The critical state of child poverty in Winnipeg and Manitoba emphasizes the urgent need for strategies toward its elimination. When Government makes its choices in the allocation and spending of public dollars, children must have the first call on our resources.

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[50] These cost estimates assume a participation rate of 70%.

8.0 CONCLUSION

We tell our children that the future is theirs for the taking. But what does this mean for the estimated 39,700 Winnipeg children living in poverty in 1989? Poverty quickly changes the degree to which opportunities are available to children for a fulfilling life in our society. Poverty can also colour children's worlds to the point where they do not even see the opportunities around them. Is this the legacy that we want to leave our children?

In 1989, one in four Winnipeg households with children were living in poverty. While the current poverty rate is unavailable, we can assume that the rate is increasing due to the recession, a continuing trend toward low paying jobs in the service sector and an increasing unemployment rate in Winnipeg.

The situation is not improving for poor children and their families in Winnipeg. We know that lack of family income puts children at greater risk for poorer health, increased difficulty in school and a higher mortality rate than children from middle and upper income families. A child living in poverty has the potential to become an adult who continues to live with its consequences. These consequences are borne not only by the children, but by all of us. We all pay the price and the costs are increasing. It is in the interests of governments to invest in our children today, or face a future of lost resources and escalating expenditures.

Status quo policy responses to income poverty are not adequate. This is evident in the reality that the income of Winnipeg families receiving CRISP, in 1989, was 42% below the poverty line. The causes of income poverty are complex. Policy-makers and governments cannot provide all the solutions. However, building a more effective income security system offers an opportunity for governments to play a critical role in providing solutions. The Manitoba Government has in place the income support program best suited to affect children in poor families. What is needed now is an increase in the generosity of the Child-Related Income Support Program.

Income support is not the only solution to addressing child poverty but it is a fundamental component. It must be designed and delivered to be effective and impact on the largest number of poor children. This report provides a framework for reform. The next step, the critical stage toward eliminating child poverty in Manitoba, requires a commitment and investment from the Manitoba Government. Anything less is a betrayal to our children.

APPENDIX A

PREVALENCE OF POVERTY IN WINNIPEG AND MANITOBA BY VARIOUS CATEGORIES

Table A:1

Distribution of Winnipeg Households by Characteristics Showing the Prevalence of Poverty, 1989

HOUSEHOLD TYPE	ALL HOUSEHOLDS		< LICO-1978 BASE		< LICO-1986 BASE	
	Count (%)	Weighted (%)	Count (%)	Weighted (%)	Count (%)	Weighted (%)
Single Individuals	361 (38.1)	100,895 (37.8)	107 (56.6)	30,787 (59.2)	134 (56.3)	38,547 (58.0)
Husband-Wife No Children	215 (22.7)	56,123 (21.0)	13 (6.9)	3,251 (6.2)	26 (10.9)	7,167 (10.8)
Husband-Wife with Children	276 (29.1)	89,797 (33.7)	29 (15.3)	9,680 (18.6)	36 (15.1)	11,867 (17.9)
Male Single Parent & Children	10 (1.1)	1,807 (0.7)	1 (0.5)	222 (0.4)	1 (0.4)	222 (0.3)
Female Single Parent & Children	85 (9.0)	18,178 (6.8)	39 (20.6)	8,105 (15.6)	41 (17.2)	8,605 (13.0)
Total Households	947 (100)	266,800 (100)	189 (100)	52,045 (100)	238 (100)	66,408 (100)
Households with Children	371 (39.2)	109,782 (41.1)	69 (36.5)	18,007 (34.6)	78 (32.8)	20,694 (31.21)

Notes: The numbers under the "Count" column represent the sample size taken from the Survey of Consumer Finances data tape. The numbers under the "Weighted" column represent the estimation of the actual numbers based on the relative stratification of the sample in Winnipeg or Manitoba. This pertains to Table A:1 to Table A:22, inclusive.

Estimates for samples of 10 or less are particularly inaccurate and should be treated with caution. This pertains to Table A:1 to Table A:22, inclusive.

Source: 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Table A:2

Distribution of Winnipeg Households by Characteristics, the Mean Percentage of Transfers to Income and the Mean Percentage of Income to the Low-Income Cut-Off Level (1986 Base), 1989

HOUSEHOLD TYPE	ALL HOUSEHOLDS	< LICO-1978 BASE	< LICO-1986 BASE	
	Tfr-Rate[1] (No.)	Tfr-Rate[1] (No.)	Tfr-Rate[1] (No.)	Pov-Gap[2] (No.)
Single Individual	0.32 (361)	0.56 (107)	0.55 (134)	4,879 (134)
Husband-Wife, No Children	0.23 (215)	0.47 (13)	[illegible]4 (26)	3,690 (26)
Husband-Wife, with Children	0.12 (276)	0.43 (29)	0.39 (36)	7,266 (36)
Male Single Parent & Children	0.34 (10)	0.97 (1)	0.97 (1)	4,233 (1)
Female Single Parent & Children	0.40 (85)	0.73 (39)	0.72 (41)	9,317 (41)
Total Households	0.25 (947)	0.57 (189)	0.56 (238)	5,872 (238)
Households with Children	0.19 (371)	0.61 (69)	0.56 (78)	4,897 (78)

NOTES:

[1] Tfr Rate is the weighted mean percentage of government transfers to total income for all households.

[2] Pov-Gap is the weighted mean difference between the Low Income Cut Off (1986 Base) and actual income for those below the Cut Off.

The accuracy of the above estimates depends upon sample size (in brackets). For a mean estimated proportion (transfer rate) of 0.5 the 95% confidence interval boundaries will vary with sample size. For example, using standard sampling theory for a sample of size 10, the interval boundaries will be 0.45 to 0.55; for 50, the boundaries will be 0.49 to 0.51; for 100, the boundaries will be 0.495 to 0.505 Estimates for samples of 10 or less are particularly inaccurate and should be treated with caution.

Source: 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Table A:3

Distribution of Winnipeg Households with Children, Showing Prevalence of Poverty, by Age of Head, 1989

HOUSEHOLD TYPE	ALL HOUSEHOLDS		< LICO-1978 BASE		< LICO-1986 BASE	
	Count (%)	Weighted (%)	Count (1%)	Weighted (%)	Count (%)	Weighted (%)
Husband-Wife						
15-24 Years	11 (4.0)	3,094 (3.5)	3 (10.3)	913 (9.4)	4 (11.1)	1,242 (10.5)
25-44 Years	163 (59.1)	50,896 (56.7)	21 (72.4)	7,084 73.2)	26 (72.2)	8,620 (72.6)
45-64 Years	90 (32.6)	30,769 (34.3)	3 (10.3)	909 (9.4)	4 (11.1)	1,231 (10.4)
65+ Years	12 (4.4)	5,038 (5.6)	2 (6.9)	774 (8.0)	2 (5.6)	774 (6.5)
Total Husband-Wife	276 (100)	89,797 (100)	29 (100)	9,680 (100)	36 (100)	11,867 (100)
Single Parent						
15-24 Years	9 (9.5)	1948 (9.7)	7 (17.5)	1,527 (18.3)	8 (19.0)	1,801 (20.4)
25-44 Years	57 (60.0)	10,558 (52.8)	31 (77.5)	6,347 (76.2)	32 (76.2)	6,573 (74.5)
45-64 Years	17 (17.9)	4,183 (20.9)	1 (2.5)	231 (2.8)	1 (2.4)	231 (2.6)
65+ Years	12 (12.6)	3,296 (16.5)	1 (2.5)	222 (2.7)	1 (2.4)	222 (2.5)
Total Single Parent	95 (100)	19,985 (100)	40 (100)	8,327 (100)	42 (100)	8,827 (100)
All Households with Children						
15-24 Years	20 (5.4)	5,042 (4.6)	10 (14.5)	2,440 (13.6)	12 (15.4)	3,043 (14.7)
25-44 Years	220 (59.3)	61,454 (56.0)	52 (75.4)	13,431 (74.6)	58 (74.4)	15,193 (73.4)
45-64 Years	107 28.8)	34,952 (31.8)	4 (5.8)	1,140 (6.3)	5 (6.4)	1,462 (7.1)
65+ Years	24 (6.5)	8,334 (7.6)	3 (4.3)	996 (5.5)	3 (3.8)	996 (4.8)
Total Households with Children	371 (100)	109,782 (100)	69 (100)	18,007 (100)	78 (100)	20,694 (100)

Source: 1989 Survey of Consumer Finances. Calculations by the Planning Council, Winnipeg, 1991.

Table A:4

Distribution of Winnipeg Households with Children, Showing the Prevalence of Poverty, by Education of Head, 1989

HOUSEHOLD TYPE	ALL HOUSEHOLDS		< LICO-1978 BASE		< LICO-1986 BASE	
	Count (%)	Weighted (%)	Count (%)	Weighted (%)	Count (%)	Weighted (%)
Husband-Wife						
Less than High School	72 (26.1)	24,367 (27.1)	12 (41.4)	3,882 (40.1)	15 (41.7)	4,810 (40.5)
High School	59 (21.4)	18,289 (20.4)	5 (17.2)	1,686 (17.4)	5 (13.9)	1,686 (14.2)
Some Post-Secondary	99 (35.9	32,529 (36.2)	11 (37.9)	3,839 (39.7)	14 (38.9)	4,806 (40.5)
University Degree	46 (16.7)	14,612 (16.3)	1 (3.5)	273 (2.8)	2 (5.6)	565 (4.8)
Total Husband-Wife	276 (100)	89,797 (100)	29 (100)	9,680 (100)	36 (100)	11,867 (100)
Single Parent						
Less than High School	39 (41.1)	8,810 (44.1)	21 (52.5)	4,416 (53.0)	22 (52.4)	4,642 (52.6)
High School	19 (20.0)	3,739 (18.7)	5 (12.5)	995 (12.0)	6 (14.3)	1,269 (14.4)
Some Post-Secondary	30 (31.6)	6,046 (30.3)	14 (35.0)	2,916 (35.0)	14 (33.3)	2,916 (33.0)
University Degree	7 (7.4)	1,390 (7.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)
Total Single Parent	95 (100)	19,985 (100)	40 (100)	8,327 (100)	42 (100)	8,827 (100)
All Households with Children						
Less than High School	111 (29.9)	33,177 (30.2)	33 (47.8)	8,298 (46.1)	37 (47.4)	9,452 (45.7)
High School	78 (21.0)	22,028 (20.1)	10 (14.5)	2,681 (14.9)	11 (14.1)	2,955 (14.3)
Some Post-Secondary	129 (34.8)	38,575 (35.1)	25 (36.2)	6,755 (37.5)	28 (35.9)	7,722 (37.3)
University Degree	53 (14.3)	16,002 (14.6)	1 (1.4)	273 (1.5)	2 (2.6)	565 (2.7)
Total Households with Children	371 (100)	109,782 (100)	69 (100)	18,007 (100)	78 (100)	20,694 (100)

Source: 1989 Survey of Consumer Finances. Calculations by the Planning Council, Winnipeg, 1991.

Table A:5

Distribution of Winnipeg Households with Children, Showing the Prevalence of Poverty, by Number of Children 6 Years and Younger, 1989

HOUSEHOLD TYPE	ALL HOUSEHOLDS		<LICO-1978 BASE		<LICO-1986 BASE	
	Count (%)	Weighted (%)	Count (%)	Weighted (%)	Count (%)	Weighted (%)
Husband-Wife						
No Children	159 (57.6)	52,702 (58.7)	11 (37.9)	3,613 (37.3)	13 (36.1)	4,158 (35.0)
One Child	75 (27.2)	23,559 (26.2)	12 (41.4)	3,964 (41.0)	15 (41.7)	4,941 (41.6)
Two + Children	42 (15.2)	13,536 (15.1)	6 (20.7)	2,103 (21.7)	8 (22.2)	2,768 (23.3)
Total Husband-Wife	276 (100)	89,797 (100)	29 (100)	9,680 (100)	36 (100)	11,867 (100)
Single Parent						
No Children	62 (65.3)	13,344 (66.8)	16 (40.0)	3,315 (39.8)	16 (38.1)	3.315 (37.6)
One Child	26 (27.4)	4,713 (23.6)	18 (45.0)	3,310 (39.8)	19 (45.2)	3,584 (40.6)
Two + Children	7 (7.4)	1,928 (9.7)	6 (15.0)	1,702 (20.4)	7 (16.7)	1,928 (21.8)
Total Single Parent	95 (100)	19,985 (100)	40 (100)	8,327 (100)	42 (100)	8,827 (100)
All Households with Children						
No Children	221 (59.6)	66,046 (60.2)	27 (39.1)	6,928 (38.5)	29 (37.2)	7,473 (36.1)
One Child	101 (27.2)	28,272 (25.8)	30 (43.5)	7,274 (40.4)	34 (43.6)	8,525 (41.2)
Two + Children	49 (13.2)	15,464 (14.1)	12 (17.4)	3,805 (21.1)	15 (19.2)	4,696 (22.7)
Total Households with Children	371 (100)	109,782 (100)	69 (100)	18,007 (100)	78 (100)	20,694 (100)

Source: 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Table A:6
Distribution of Winnipeg Households with Children, Showing the Prevalence of Poverty, by Number of Children 7 Years and Older, 1989

HOUSEHOLD TYPE	ALL HOUSEHOLDS		<LICO-1978 BASE		<LICO-1986 BASE	
	Count (%)	Weighted (%)	Count (%)	Weighted (%)	Count (%)	Weighted (%)
Husband-Wife						
No Children	93 (33.7)	30,115 (33.5)	11 (37.9)	3,539 (36.6)	15 (41.7)	4,865 (41.0)
One Child	86 (31.2)	28,988 (32.3)	7 (24.1)	2,514 (26.0)	9 (25.0)	3,152 (26.6)
Two + Children	97 (35.1)	30,694 (34.2)	11 (37.9)	3,627 (37.5)	12 (33.3)	3,850 (32.4)
Total Husband-Wife	276 (100)	89,797 (100)	29 (100)	9,680 (100)	36 (100)	11,867 (100)
Single Parent						
No Children	40 (42.1)	8,625 (43.2)	17 (42.5)	3,224 (38.7)	19 (45.2)	3,724 (42.2)
One Child	39 (41.1)	7,619 (38.1)	15 (37.5)	3,318 (37.4)	15 (35.7)	3,118 (35.3)
Two + Children	16 (16.8)	3,741 (18.7)	8 (20.0)	1,985 (23.8)	8 (19.1)	1,985 (22.5)
Total Single Parent	95 (100)	19,985 (100)	40 (100)	8,327 (100)	42 (100)	8,827 (100)
All Households With Children						
No Children	133 (35.8)	38,740 (35.3)	28 (40.6)	6,763 (37.6)	34 (37.2)	8,589 (41.5)
One Child	125 (33.7)	36,607 (33.3)	22 (31.9)	5,632 (31.3)	24 (43.6)	6,270 (30.3)
Two + Children	113 (30.5)	34,435 (31.4)	19 (27.5)	5,612 (31.2)	20 (19.2)	5,835 (28.2)
Total Households With Children	371 (100)	109,782 (100)	69 (100)	18,007 (100)	78 (100)	20,694 (100)

Source: 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Table A:7

Distribution of Winnipeg Households with Children, Showing the Prevalence of Poverty, by Work Status of Family Head, 1989

	ALL HOUSEHOLDS		<LICO-1978 BASE		<LICO-1986 BASE	
HOUSEHOLD TYPE	Count (%)	Weighted (%)	Count (%)	Weighted (%)	Count (%)	Weighted (%)
Husband-Wife						
Did not Work	23 (8.3)	8,711 (9.7)	7 (24.1)	2,362 (24.4)	7 (19.4)	2,362 (19.9)
Mostly Part time	16 (5.8)	6,406 (7.1)	4 (13.8)	1,440 (14.9)	4 (11.1)	1,440 (12.1)
Full time <30 Weeks	13 (4.7)	4,217 (4.7)	4 (13.8)	1,203 (12.4)	6 (16.7)	1,795 (15.1)
Full time 30+ Weeks	224 (23.7)	70,463 (78.5)	14 (48.3)	4,675 (48.3)	19 (52.8)	6,270 (52.8)
Total Husband-Wife	276 (100)	89,797 (100)	29 (100)	9,680 (100)	36 (100)	11,867 (100)
Single Parent						
Did not Work	34 (35.8)	7,830 (39.2)	20 (50.0)	3,872 (46.5)	20 (47.6)	3,872 (43.9)
Mostly Part time	10 (10.5)	2,434 (12.2)	7 (17.5)	1,638 (19.7)	8 (19.1)	1,864 (21.1)
Full time <30 Weeks	9 (9.5)	1,643 (8.2)	6 (15.0)	1,162 (14.0)	6 (14.3)	1,162 (13.2)
Full time 30+ Weeks	42 (44.2)	8,078 (40.4)	7 (17.5)	1,655 (19.9)	8 (19.1)	1,929 (21.9)
Total Single Parent	95 (100)	19,985 (100)	40 (100)	8,327 (100)	42 (100)	8,827 (100)
All Households With Children						
Did not Work	57 (15.4)	16,541 (15.1)	27 (39.1)	6,234 (34.6)	27 (34.6)	6,234 (30.1)
Mostly Part time	26 (7.0)	8,840 (8.1)	11 (15.9)	3,078 (17.1)	12 (15.4)	3,304 (16.0)
Full time <30 Weeks	22 (5.9)	5,860 (5.3)	10 (14.5)	2,365 (13.1)	12 (15.4)	2,957 (14.3)
Full time 30+ Weeks	266 (71.7)	78,541 (71.5)	21 (30.4)	6,330 (35.2)	27 (34.6)	8,199 (39.6)
Total Households With Children	371 (100)	109,782 (100)	69 (100)	18,007 (100)	78 (100)	20,694 (100)

Source: 1989 Survey of Consumer Finances. Calculated by the Planning Council, Winnipeg, 1991.

Table A:8

Distribution of Winnipeg Households with Children, Showing the Prevalence of Poverty, by Source of Earned Income, 1989

HOUSEHOLD TYPE	ALL HOUSEHOLDS		<LICO-1978 BASE		<LICO-1986 BASE	
	Count (%)	Weighted (%)	Count (%)	Weighted (%)	Count (%)	Weighted (%)
Husband-Wife						
No one Working[1]	15 (5.4)	5,915 (6.6)	5 (17.2)	1,728 (17.9)	5 (13.9)	1,728 (14.6)
Head only Working	47 (17.0)	15,678 (17.5)	7 (24.1)	2,351 (24.3)	8 (22.2)	2,720 (22.9)
Wife only Working	8 (2.9)	2,796 (3.1)	2 (6.9)	634 (6.6)	2 (5.6)	634 (5.3)
Both Working	206 (74.6)	65,408 (72.8)	15 (51.7)	4,967 (51.3)	21 (58.3)	6,785 (57.2)
Total Husband-Wife	276 (100)	89,797 (100)	29 (100)	9,680 (100)	36 (100)	11,867 (100)
Single Parent						
No one Working	34 (35.8)	7,830 (39.2)	20 (50.0)	3,872 (46.5)	20 (47.6)	3,872 (43.9)
Head Working	61 (64.2)	12,155 (60.8)	20 (50.0)	4,455 (53.5)	22 (52.4)	4,955 (56.1)
Total Single Parent	95 (100)	19,985 (100)	40 (100)	8,327 (100)	42 (100)	8,827 (100)
All Households With Children						
No one Working	49 (13.2)	13,745 (12.5)	25 (36.2)	5,600 (31.1)	25 (32.1)	5,600 (27.1)
Head only Working	108 (29.1)	27,833 (25.4)	27 (39.1)	6,806 (37.8)	30 (38.5)	7,675 (37.1)
Wife only Working	8 (2.2)	2,796 (2.5)	2 (2.9)	634 (3.5)	2 (2.6)	634 (3.1)
Both Working	206 (55.5)	65,408 (59.6)	15 (21.7)	4,967 (27.6)	21 (26.9)	6,785 (32.8)
Total Households With Children	371 (100)	109,782 (100)	69 (100)	18,007 (100)	78 (100)	20,694 (100)

Source: 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Notes: [1] No one working any weeks in 1989; working refers to some positive weeks of work in 1989.

Table A:9

Poverty Gap for Winnipeg Households with Children Below the Low-Income Cut-Off (1986 Base), by Various Characteristics, 1989

HOUSEHOLD CHARACTERISTICS	HUSBAND-WIFE FAMILIES		SINGLE-PARENT FAMILIES		ALL FAMILIES WITH CHILDREN	
	Count	Weighted Pov. Gap	Count	Weighted Pov. Gap	Count	Weighted Pov. Gap
Total	38	$7,190	46	$9,089	84	$8,230
Age: 15 - 24	4	$4,252	9	$8,187	13	$6,976
25 - 44	28	$7,675	34	$9,430	62	$8,637
45 - 64	4	$8,352	2	$12,778	6	$9,827
65+	2	$3,957	1	$4,233	3	$4,049
Education: < High School	16	$7,316	22	$9,803	38	$8,756
High School	6	$6,376	8	$9,256	14	$8,022
Some Post-Secondary	14	$7,654	16	$8,025	30	$7,852
University Degree	2	$5,372	0	-	2	$5,372
Children < 7: None	13	$7,694	18	$9,067	31	$8,491
One	15	$7,694	21	$8,841	36	$8,363
Two+	10	$5,844	7	$9,764	17	$7,458
Children > 6: None	17	$5,078	22	$8,134	39	$6,802
One	9	$7,532	15	$10,467	24	$9,366
Two+	12	$9,885	9	$9,063	21	$9,533
Work: None	7	$11,277	21	$10,618	28	$10,783
Part time	4	$11,027	9	$8,805	13	$9,489
Full time < 30 Weeks	6	$6,066	6	$9,265	12	$7,666
Full time 30+ Weeks	21	$5,266	10	$6,504	31	$5,665
Earners: None	5	$10,952	21	$10,618	26	$10,682
Head Only	8	$6,402	25	$7,994	33	$7,608
Wife Only	2	$12,162	-	-	2	$12,162
Both	23	$6,189	-	-	23	$6,189

Source: 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Table A:10

Distribution of Manitoba Households by Characteristics, Showing the Prevalence of Poverty, 1989

HOUSEHOLD TYPE	ALL HOUSEHOLDS		<LICO-1978 BASE		<LICO-1986 BASE	
	Count (%)	Weighted (%)	Count (%)	Weighted (%)	Count (%)	Weighted (%)
Single Individual	941 (32.7)	152,789 (35.8)	216 (52.4)	41,562 (57.9)	261 (54.6)	50,907 (58.2)
Husband-Wife No Children	734 (25.5)	94,340 (22.1)	28 (6.8)	4,239 (5.9)	42 (8.8)	8,198 (9.4)
Husband-Wife With Children	967 (33.6)	151,111 (35.4)	87 (21.1)	15,156 (21.1)	90 (18.8)	17,004 (19.4)
Male Single Parent With Children	28 (1.0)	2,933 (0.7)	3 (0.7)	271 (0.4)	3 (0.6)	271 (0.3)
Female Single Parent With Children	210 (7.3)	25,762 (6.0)	78 (18.9)	10,511 (14.7)	82 (17.2)	11,055 (12.6)
Total Households	2,880 (100)	426,935 (100)	412 (100)	71,739 (100)	478 (100)	87,435 (100)
Households With Children	1,205 (41.8)	179,806 (42.1)	168 (40.8)	25,938 (36.2)	175 (36.6)	28,330 (32.4)

Source: 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Table A:11

Distribution of Manitoba Households by Characteristics, the Mean Percentage of Transfers to Income and the Mean Percentage of Income to the Low-Income Cut-Off Level (1986 Base), 1989

	ALL HOUSEHOLDS	<LICO-1978 BASE	<LICO-1986 BASE	
HOUSEHOLD TYPE	Tfr-Rate[1] (No.)	Tfr-Rate[1] (No.)	Tfr-Rate[1] (No.)	Pov-Gap[2] (No.)
Single Individual	0.34 (928)	0.57 (210)	0.56 (255)	$4,741 (261)
Husband-Wife No Children	0.26 (733)	0.52 (27)	0.64 (41)	$3,542 (42)
Husband-Wife With Children	0.12 (967)	0.43 (87)	0.40 (90)	$6,922 (90)
Male Single Parent With Children	0.31 (27)	0.92 (2)	0.92 (2)	$5,264 (3)
Female Single Parent With Children	0.41 (210)	0.73 (78)	0.71 (82)	$8,966 (82)
Total Households	0.25 (2,865)	0.57 (404)	0.56 (470)	$5,774 (478)
Households With Children	0.13 (1,204)	0.58 (167)	0.55 (174)	$7,851 (175)

Source: 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

[1] Tfr Rate is the weighted mean percentage of government transfers to total income for all households.

[2] Pov-Gap is the weighted mean difference between the Low-Income Cut-Off (1986 Base) and actual income for those below the Cut-Off.

Sample totals may differ from Table A:10 because total income is reported as zero in some cases.

Table A:12
Distribution of Manitoba Households with Children, Showing the Prevalence of Poverty, by Age of Head, 1989

HOUSEHOLD TYPE	ALL HOUSEHOLDS		<LICO-1978 BASE		<LICO-1986 BASE	
	Count (%)	Weighted (%)	Count (%)	Weighted (%)	Count (%)	Weighted (%)
Husband-Wife						
15-24 Years	17 (2.0)	3,475 (2.3)	4 (4.6)	1,001 (6.6)	5 (5.6)	1,330 (7.8)
25-44 Years	611 (63.2)	89,948 (59.5)	64 (73.6)	10,956 (72.3)	65 (72.2)	12,153 (71.5)
45-64 Years	304 (31.4)	49,811 (33.0)	16 (18.4)	2,238 (14.8)	17 (18.9)	2,560 (15.1)
65 + Years	35 (3.6)	7,877 (5.2)	3 (3.5)	961 (6.3)	3 (3.3)	961 (5.7)
Total Husband-Wife	967 (100)	151,111 (100)	87 (100)	15,156 (100)	90 (100)	17,004 (100)
Single Parent						
15-24 Years	23 (9.7)	2,335 (8.1)	15 (18.5)	1,799 (16.7)	16 (18.8)	2,073 (18.3)
25-44 Years	135 (56.7)	14,929 (52.0)	58 (71.6)	7,894 (73.2)	60 (70.6)	8,121 (71.7)
45-64 Years	46 (19.3)	6,438 (22.4)	5 (6.2)	627 (5.8)	6 (7.1)	670 (5.9)
65 + Years	34 (14.3)	4,993 (17.4)	3 (3.7)	462 (4.3)	3 (3.5)	462 (4.1)
Total Single Parent	238 (100)	28,695 (100)	81 (100)	10,782 (100)	85 (100)	11,326 (100)
Hhlds With Children						
15-24 Years	40 (3.3)	5,810 (3.2)	19 (11.3)	2,800 (10.8)	21 (12.0)	3,403 (12.0)
25-44 Years	746 (61.9)	104,877 (58.3)	122 (72.6)	18,850 (72.7)	125 (71.4)	20,274 (71.6)
45-64 Years	350 (29.0)	56,249 (31.3)	21 (12.5)	2,865 (11.0)	23 (13.1)	3,230 (11.4)
65 + Years	69 (5.7)	12,870 (7.2)	6 (3.6)	1,423 (5.5)	6 (3.4)	1,423 (5.0)
Total Households With Children	1,205 (100)	179,806 (100)	168 (100)	25,938 (100)	175 (100)	28,330 (100)

Source: 1989 Survey of Consumer Finances. Calculations by the Planning Council, Winnipeg, 1991.

Table A:13

Distribution of Manitoba Households with Children, Showing the Prevalence of Poverty, by Education of Head, 1989

HOUSEHOLD TYPE	ALL HOUSEHOLDS		<LICO-1978 BASE		<LICO-1986 BASE	
	Count (%)	Weighted (%)	Count (%)	Weighted (%)	Count (%)	Weighted (%)
Husband-Wife						
Less Than High School	386 (39.9)	53,531 (35.4)	41 (47.1)	6,713 (44.3)	42 (46.7)	7,482 (44.0)
High School	148 (15.3)	26,512 (17.5)	16 (18.4)	2,743 (18.1)	14 (15.6)	2,563 (15.1)
Some Post-Secondary	319 (33.0)	51,115 (33.8)	27 (31.0)	5,345 (35.3)	30 (33.3)	6,312 (37.1)
University Degree	114 (11.8)	19,953 (13.2)	3 (3.5)	355 (2.3)	4 (4.4)	647 (3.8)
Total Husband-Wife	967 (100)	89,797 (100)	87 (100)	15,156 (100)	90 (100)	17,004 (100)
Single Parent						
Less Than High School	117 (49.2)	13,796 (48.1)	45 (55.6)	5,925 (55.0)	47 (55.3)	6,194 (54.7)
High School	34 (14.3)	4,341 (15.1)	11 (13.6)	1,281 (11.9)	12 (14.1)	1,555 (13.7)
Some Post-Secondary	75 (31.5)	8,942 (31.2)	24 (29.6)	3,476 (32.2)	25 (29.4)	3,477 (30.7)
University Degree	12 (5.0)	1,616 (5.6)	1 (1.2)	100 (0.9)	1 (1.2)	100 (0.9)
Total Single Parent	238 (100)	28,695 (100)	81 (100)	10,782 (100)	85 (100)	11,326 (100)
Hhlds With Children						
Less Than High School	503 (41.7)	67,327 (37.4)	86 (51.2)	12,638 (48.7)	89 (50.9)	13,676 (48.3)
High School	182 (15.1)	30,853 (17.2)	27 (16.1)	4,024 (15.5)	26 (14.9)	4,118 (14.5)
Some Post-Secondary	394 (32.7)	60,057 (33.4)	51 (30.4)	8,821 (34.0)	55 (31.4)	9,789 (34.6)
University Degree	126 (10.5)	21,569 (12.0)	4 (2.4)	455 (1.8)	5 (2.9)	747 (2.6)
Total Households With Children	1,205 (100)	179,806 (100)	168 (100)	25,938 (100)	175 (100)	28,330 (100)

Source: 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Table A:14

Distribution of Manitoba Households with Children, Showing the Prevalence of Poverty, by Number of children 6 Years and Younger, 1989

HOUSEHOLD TYPE	ALL HOUSEHOLDS		<LICO-1978 BASE		<LICO-1986 BASE	
	Count (%)	Weighted (%)	Count (%)	Weighted (%)	Count (%)	Weighted (%)
Husband-Wife						
No Children	560 (67.9)	89,564 (59.3)	31 (35.6)	5,717 (37.7)	33 (36.7)	6,262 (36.8)
One Child	240 (24.8)	36,805 (24.4)	33 (37.9)	6,005 (39.6)	33 (36.7)	6,714 (39.5)
Two + Children	167 (17.3)	24,742 (16.4)	23 (26.4)	3,434 (22.7)	24 (26.7)	4,028 (23.7)
Total Husband-Wife	967 (100)	151,111 (100)	87 (100)	15,156 (100)	36 (100)	17,004 (100)
Single Parent						
No Children	154 (64.7)	19,760 (68.9)	34 (42.0)	4,630 (42.9)	35 (41.2)	4,673 (41.3)
One Child	63 (26.5)	6,216 (21.7)	32 (39.5)	3,855 (35.8)	34 (40.0)	4,130 (36.5)
Two + Children	21 (8.8)	2,719 (9.5)	15 (18.5)	2,297 (21.3)	16 (18.8)	2,523 (22.3)
Total Single Parent	238 (100)	28,695 (100)	81 (100)	10,782 (100)	85 (100)	11,326 (100)
Hhlds With Children						
No Children	714 (59.3)	109,324 (60.8)	65 (38.7)	10,347 (39.9)	68 (38.9)	10,935 (38.6)
One Child	303 (25.1)	43,021 (23.9)	65 (38.7)	9,860 (38.0)	67 (38.3)	10,844 (38.3)
Two + Children	188 (15.6)	27,461 (15.3)	38 (22.6)	5,731 (22.1)	40 (22.9)	6,551 (23.1)
Total Households With Children	1,205 (100)	179,806 (100)	168 (100)	25,938 (100)	175 (100)	28,330 (100)

Source: 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Table A:15

Distribution of Manitoba Households with Children, Showing the Prevalence of Poverty, by Number of Children 7 Years and Older, 1989

HOUSEHOLD TYPE	ALL HOUSEHOLDS		<LICO-1978 BASE		<LICO-1986 BASE	
	Count (%)	Weighted (%)	Count (%)	Weighted (%)	Count (%)	Weighted (%)
Husband-Wife						
No Children	290 (30.0)	48,196 (31.9)	25 (28.7)	4,777 (31.5)	28 (31.1)	6,032 (35.5)
One Child	275 (28.4)	45,206 (29.9)	26 (29.9)	4,540 (30.0)	28 (31.1)	5,178 (30.5)
Two + Children	402 (41.6)	57,709 (38.2)	36 (41.4)	5,839 (38.5)	34 (37.8)	5,794 (34.1)
Total Husband-Wife	967 (100)	151,111 (100)	87 (100)	15,156 (100)	90 (100)	17,004 (100)
Single Parent						
No Children	90 (37.8)	11,469 (40.0)	29 (38.5)	3,775 (35.0)	32 (37.7)	4,276 (37.8)
One Child	89 (37.4)	10,586 (36.9)	30 (37.0)	4,155 (38.5)	30 (35.3)	4,155 (36.7)
Two + Children	59 (24.8)	6,640 (23.1)	22 (27.2)	2,852 (26.5)	23 (27.1)	2,895 (25.6)
Total Single Parent	238 (100)	28,695 (100)	81 (100)	10,872 (100)	85 (100)	11,326 (100)
Hhlds With Children						
No Children	380 (31.5)	59,665 (35.3)	54 (32.1)	8,552 (33.0)	60 (34.3)	10,308 (36.4)
One Child	364 (30.2)	55,792 (33.3)	56 (33.3)	8,695 (33.5)	58 (33.1)	9,333 (32.9)
Two + Children	461 (38.3)	64,349 (31.4)	58 (34.5)	8,691 (33.5)	57 (32.6)	8,689 (30.7)
Total Households With Children	1,205 (100)	179,806 (100)	168 (100)	25,938 (100)	175 (100)	28,330 (100)

Source: 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Table A:16

Distribution of Manitoba Households with Children, Showing the Prevalence of Poverty, by Work Status of Family Head, 1989

HOUSEHOLD TYPE	ALL HOUSEHOLDS		<LICO-1978 BASE		<LICO-1986 BASE	
	Count (%)	Weighted (%)	Count (%)	Weighted (%)	Count (%)	Weighted (%)
Husband-Wife						
Did Not Work	50 (5.2)	11,783 (7.8)	10 (11.5)	2,721 (18.0)	10 (11.1)	2,721 (16.0)
Mostly Part Time	34 (3.5)	8,006 (5.3)	6 (6.9)	1,631 (10.8)	6 (6.7)	1,631 (9.6)
Full Time <30 Weeks	50 (5.2)	7,574 (5.0)	11 (12.6)	1,884 (12.4)	13 (14.4)	2,476 (14.6)
Full Time 30+ Weeks	833 (86.1)	123,748 (81.9)	60 (69.0)	8,920 (58.9)	61 (67.8)	10,176 (59.8)
Total Husband-Wife	967 (100)	151,111 (100)	87 (100)	15,156 (100)	90 (100)	17,004 (100)
Single Parent						
Did Not Work	87 (36.6)	11,455 (39.9)	44 (54.3)	5,317 (49.3)	44 (51.8)	5,317 (47.0)
Mostly Part Time	29 (12.2)	3,738 (13.0)	14 (17.3)	2,072 (19.2)	15 (17.7)	2,298 (20.3)
Full Time <30 Weeks	21 (8.8)	2,218 (7.7)	12 (14.8)	1,386 (12.9)	12 (14.1)	1,386 (12.2)
Full Time 30+ Weeks	101 (42.4)	11,284 (36.3)	11 (13.6)	2,007 (18.6)	14 (16.5)	2,325 (20.5)
Total Single Parent	238 (100)	28,695 (100)	81 (100)	10,782 (100)	85 (100)	11,326 (100)
Hhlds With Children						
Did Not Work	137 (11.4)	23,238 (12.9)	54 (32.1)	8,038 (31.0)	54 (30.9)	8,038 (28.4)
Mostly Part Time	63 (5.2)	11,744 (6.5)	20 (11.9)	3,703 (14.3)	21 (12.0)	3,929 (13.9)
Full Time <30 Weeks	71 (5.9)	9,792 (5.4)	23 (13.7)	3,270 (12.6)	25 (14.3)	3,862 (13.6)
Full Time 30+ Weeks	934 (77.5)	135,032 (75.1)	71 (42.3)	10,927 (42.1)	75 (42.9)	12,501 (44.1)
Total Household With Children	1,205 (100)	179,806 (100)	168 (100)	25,938 (100)	175 (100)	28,330 (100)

Source: 1989 Survey of Consumer Finances. Calculations by the Planning Council, Winnipeg, 1991.

Table A:17

Distribution of Manitoba Households with Children, Showing the Prevalence of Poverty, by Source of Earned Income, 1989

HOUSEHOLD TYPE	ALL HOUSEHOLDS		<LICO-1978 BASE		<LICO-1986 BASE	
	Count (%)	Weighted (%)	Count (%)	Weighted (%)	Count (%)	Weighted (%)
Husband-Wife						
No one Working[1]	31 (3.2)	7,829 (5.2)	7 (8.1)	2,051 (13.5)	7 (7.8)	2,051 (12.1)
Head only Working	188 (19.4)	28,351 (18.8)	24 (27.6)	4,116 (27.2)	23 (25.6)	4,305 (25.3)
Wife only Working	19 (2.0)	3,954 (2.6)	3 (3.5)	670 (4.4)	3 (3.3)	670 (3.9)
Both Working	729 (75.4)	110,977 (73.4)	53 (60.9)	8,319 (54.9)	57 (63.3)	9,978 (58.7)
Total Husband-Wife	967 (100)	151,111 (100)	87 (100)	15,156 (100)	90 (100)	17,004 (100)
Single Parent						
No one Working	87 (36.6)	11,455 (39.9)	44 (54.3)	5,317 (49.3)	44 (51.8)	5,317 (47.0)
Head Working	151 (63.5)	17,240 (60.1)	37 (45.7)	5,465 (50.7)	41 (48.2)	6,009 (53.1)
Total Single Parent	238 (100	28,695 (100)	81 (100)	10,782 (100)	85 (100)	11,326 (100)
Hhlds With Children						
No one Working	118 (9.8)	19,284 (10.7)	51 (30.4)	7,368 (28.4)	51 (29.1)	7,368 (26.0)
Head only Working	339 (28.1)	45,591 (25.4)	61 (36.3)	9,581 (36.9)	64 (36.6)	10,314 (36.4)
Wife only Working	19 (1.6)	3,954 (2.2)	3 (1.8)	670 (2.6)	3 (1.7)	670 (2.4)
Both Working	729 (60.5)	110,977 (61.7)	53 (31.5)	8,319 (32.1)	57 (32.6)	9,978 (35.2)
Total Households With Children	1,205 (100)	179,806 (100)	168 (100)	25,938 (100)	175 (100)	28,330 (100)

Source: 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Notes: [1] No one working any weeks in 1989; working refers to some positive weeks of work in 1989.

Table A:18

Poverty Gap for Manitoba Households with Children Below the Low-Income Cut-Off (1986 Base), by Various Characteristics, 1989

HOUSEHOLD CHARACTERISTICS	HUSBAND-WIFE FAMILITES		SINGLE-PARENT FAMILIES		ALL FAMILIES WITH CHILDREN	
	Count	Weighted Pov-Gap	Count	Weighted Pov-Gap	Count	Weighted Pov-Gap
Total	96	$6,396	103	$8,929	199	$7,707
Age: 15-24	5	$4,718	22	$8,098	27	$7,472
25-44	69	$7,440	66	$9,342	135	$8,370
45-64	19	$6,013	9	$11,845	28	$7,888
65+	3	$4,889	6	$3,067	9	$3,674
Education: <HS	45	$6,969	57	$9,614	102	$8,447
High School	15	$6,283	16	$8,631	31	$7,495
Some Post-Secondary	32	$7,172	29	$8,094	61	$7,610
University Degree	4	$5,576	1	$3,389	5	$5,139
Children <7: None	35	$6,738	42	$8,348	77	$7,616
One	28	$7,164	32	$9,954	60	$8,652
Two +	35	$8,770	25	$9,057	60	$8,890
Children >6: None	33	$5,000	46	$8,056	79	$6,779
One	28	$7,164	32	$9,954	60	$8,652
Two+	35	$8,770	25	$9,057	60	$8,890
Work: None	10	$11,055	51	$10,132	61	$10,283
Part Time	6	$10,128	21	$8,085	27	$8,537
Full Time <30 Weeks	15	$5,485	13	$9,459	28	$7,330
Full Time 30+ Weeks	65	$5,655	18	$6,949	83	$5,936
Earners: None	7	$10,766	51	$10,132	58	$10,209
Head Only	24	$5,885	52	$7,935	76	$7,288
Wife Only	3	$11,939	-	-	3	$11,939
Both	62	$6,213	-	-	62	$6,213

Source: 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Table A:19

Simulated Effects of Elimination of the Tax-back of CRISP Benefits for Social Assistance Recipients in Winnipeg, 1989

	UNWEIGHTED	WEIGHTED
Total Households	947	266,800
Households < LICO-1986	238	66,408
Households with Children	371	109,782
Households with Children, < LICO-1986	78	20,694
CRISP:		
Beneficiaries[51]	28	6,398
Poverty Gap	$[illegible],985	$10,178
Pov Gap as % of LICO	43%	42%
Mean Cost[52]	$2[illegible]3.67	$231.30
Total Cost[2]	$12,746	$3,111,014
CRISP Revised:[53]		
Beneficiaries	57	13,450
Poverty Gap	$ 9,612	$ 9,719
Poverty Gap as % of LICO	42%	40%
Mean Cost	$603	$644
Total Cost	$34,346	$8,665,000

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[51] Since income from social assistance and provincial income supplements are combined on the Survey of Consumer Finances file, CRISP recipients are defined as those who report income from this category but whose primary source of income is not government transfers (i.e., not social assistance). The Annual Reports for the Manitoba Department of Family Services report, for Manitoba, 7,710 beneficiaries for 1988-89 and 7,133 for 1989-90. The figure for Winnipeg is 6,398. The same reports indicate expenditures of $5,821,000 for 1988-89 and $5,537,000 for 1989-90 for Manitoba. The figure for Winnipeg is $3,111,000.

[52] Cost estimates assume a participation rate of 100%. For Manitoba, administrative records indicate an average of about 7,421 recipients per month for 1989 while our estimate of the number of eligible participants in CRISP is 11,267 (see Table 10.1), yielding an estimated participation rate of 65%. If participation is randomly distributed, this will yield a cost estimate for any program that is 65% of the figure stated in Tables 9.1, 9.2, 10.1, and 10.2. The effect on the poverty gap will then be reduced accordingly.

[53] The revision to CRISP permits social assistance recipients (as defined in note 1 above) to retain 100% of CRISP benefits.

Source: 1989 Survey of Consumer Finances. Calculations by the Planning Council, Winnipeg, 1991.

Table A:20

Simulated Effects of Extension of the CRISP Programme for Low-Income Winnipeg Families with Children

	BASELINE CRISP	BENEFITS x 2	BENEFITS x 5
Current Coverage -			
Number of Beneficiaries	13,450	13,450	13,450
Mean Cost	$644	$ 1,288	$3,221
Total Cost	$8,665,000	$17,330,000	$43,325,000
Pov Gap: 60% LICO	$1,472	$1,268	$858
75%	$4,113	$3,768	$2,925
100%	$9,719	$9,319	$8,132
Gap/60% LICO	10%	9%	6%
75%	23%	21%	17%
100%	40%	39%	34%
Extend Coverage - Increments x 2:			
Number of Beneficiaries	14,865	14,865	14,865
Mean Cost	$625	$1,251	$3,127
Total Cost	$9,298,000	$18,595,000	$46,488,000
Pov Gap: 60% LICO	$1,332	$1,147	$776
75%	$3,910	$3,598	$2,836
100%	$9,453	$9,092	$8,017
Gap/60% LICO	9%	8%	6%
75%	22%	20%	16%
100%	39%	38%	34%
Extend Coverage - Increments x 5			
Number of Beneficiaries	18,270	18,270	18,270
Mean Cost	$567	$1,134	$2,835
Total Cost	$10,358,000	$20,717,000	$51,792,000
Pov Gap: 60% LICO	$1,084	$933	$632
75%	$3,237	$2,982	$2,362
100%	$8,508	$8,214	$7,340
Gap/60% LICO	8%	7%	5%
75%	18%	17%	13%
100%	35%	34%	30%

NOTE: The CRISP program provided $30 per month for each dependant for a family with net income below $11,817 in 1989. For a family with net income of $11,817 or more, benefits were reduced by $1 per month per dependant for each $48 of net family income over $11,817. Increasing benefit generosity simply means multiplying CRISP benefits by a specified factor (2 or 5 in the last two columns above). Extending coverage means multiplying the reduction range ($48) by a specified factor (2 or 5). In each case, social assistance recipients were permitted to retain 100% of CRISP benefits as in the revised CRISP program in Table A:19. In Table A:20, however, 75% of the 1986 Low-Income Cut-Off is used as a benchmark.

Source: 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Table A:21

Simulated Effects of Elimination of the Tax-back of CRISP Benefits for Social Assistance Recipients in Manitoba, 1989

	UNWEIGHTED	WEIGHTED
Total Households	2,880	426,935
Households < LICO-1986	478	87,435
Households With Children	1,205	179,806
Households With Children < LICO-1986	175	28,330
CRISP:		
Beneficiaries[54]	97	11,267
Poverty Gap	$8,728	$9,322
Pov Gap as % of LICO	41%	41%
Mean Cost	$422.53	$333.43
Total Cost	$ 65,915	$6,822,997
CRISP Revised:[55]		
Beneficiaries	156	20,463
Poverty Gap	$8,458	$8,989
Poverty Gap as % of LICO	40%	40%
Mean Cost	$705.76	$677.64
Total Cost	$110,099	$13,866,540

Source: 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

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[54] Since income from social assistance and provincial income supplements are combined on the Survey of Consumer Finance file, CRISP recipients are defined as those who report income from this category but whose primary source of income is not government transfers (i.e., not social assistance). The Annual Reports for the Manitoba Department of Family Services report, for Manitoba, 7,710 beneficiaries for 1988-89 and 7,133 for 1989-90. Our figure here is 11,267. The same reports indicate expenditures of $5,821,000 for 1988-89 and $5,537,000 for 1989-90 compared with our figure of 6,822,997.

[55] The revision to CRISP permits social assistance recipients (as defined in note 1 above) to retain 100% of CRISP benefits.

Table A:22

Simulated Effects of the Extension of the CRISP Programme for Low-Income Manitoba Families with Children

	BASELINE CRISP	BENEFITS x 2	BENEFITS x 5
Current Coverage -			
Number of Beneficiaries	20,463	20,463	20,463
Mean Cost	$678	$1,355	3,388
Total Cost	$13,867,000	$27,733,000	$69,333,000
Pov Gap: 60% LICO	$1,594	$1,435	$1,123
75%	$3,905	$3,647	$3,010
100%	$8,990	$8,661	$7,719
Gap/60% LICO	12%	11%	9%
75%	23%	22%	18%
100%	40%	38%	34%
Extend Coverage - Increments x 2			
Number of Beneficiaries	22,966	22,966	22,966
Mean Cost	$642	$1,284	$3,210
Total Cost	$14,745,000	$29,490,000	$73,724,000
Pov Gap: 60% LICO	$1,421	$1,279	$1,000
75%	$3,602	$3,372	$2,804
100%	$8,478	$8,185	$7,346
Gap/60% LICO	11%	10%	8%
75%	21%	20%	17%
100%	37%	36%	32%
Extend Coverage - Increments x 5			
Number of Beneficiaries	30,655	30,655	30,655
Mean Cost	$565	$1,131	$2,827
Total Cost	$17,329,000	$34,659,000	$86,647,000
Pov Gap: 60% LICO	$1,064	$958	$749
75%	$2,735	$2,562	$2,137
100%	$6,930	$6,711	$6,081
Gap/60% LICO	8%	7%	6%
75%	16%	15%	13%
100%	30%	29%	26%

NOTE: The CRISP program provided $30 per month for each dependant for a family with net income below $11,817 in 1989. For a family with net income of $11,817 or more, benefits were reduced by $1 per month per dependant for each $48 of net family income over $11,817. Increasing benefit generosity simply means multiplying CRISP benefits by a specified factor (2 or 5 in the last two columns above). Extending coverage means multiplying the reduction range ($48) by a specified factor (2 or 5). In each case, social assistance recipients were permitted to retain 100% of CRISP benefits as in the revised CRISP program in Table A:21. In Table A:22, however, 75% of the 1986 Low-Income Cut-Off is used as a benchmark.

Source: 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Table A:23

Child[1] Poverty in Canada, 1989

PROVINCE	TOTAL NUMBER OF CHILDREN < 17 YEARS OLD	NUMBER OF POOR CHILDREN < 17 YEARS OLD	RATE OF CHILD POVERTY
NEWFOUNDLAND	165,009	33,612	20.4%
PRINCE EDWARD ISLAND	35,317	4,936	14.0%
NOVA SCOTIA	218,496	39,692	18.0%
NEW BRUNSWICK	186,291	35,524	19.1%
QUEBEC	1,584,312	260,494	16.4%
ONTARIO	2,275,644	292,353	12.9%
MANITOBA	260,868	56,427	22.0%
SASKATCHEWAN	269,474	56,151	20.8%
ALBERTA	662,219	121,090	18.3%
BRITISH COLUMBIA	710,228	114,362	16.0%
CITY OF WINNIPEG	142,185	39,714	28.0%

[1] Child is defined as a person 17 years old and younger.

Source: Statistics Canada, 1989 Survey of Consumer Finances. Calculations by the Social Planning of Winnipeg, 1991.

APPENDIX B

MANITOBA INCOME SECURITY PROGRAMS

SOCIAL ALLOWANCE PROGRAM

The Social Allowance Program is a Provincial Government income maintenance program administered by the Employment Services and Economic Security Division of the Manitoba Department of Family Services through 14 district offices located throughout the province. The program is legislated under the Social Allowances Act in accordance with Regulation 404/88 R as amended (Regulation 253/90).

Objectives:

Up until 1990, the prime objective of the program has been to "ensure that no Manitobans lack the goods and services essential to health and well-being."[56] An addition was made to this in the 1990-91 fiscal year: "To promote the financial independence of social assistance recipients."[57]

Eligibility:

General

For persons who, if social allowance was not paid would lack the basic necessities; they include:

- person who cannot work for more than 90 days due to age or mental or physical health problems;
- person who cannot care for themselves;
- person who is a widow/widower with a dependent child or children;
- person with a dependent child or children who is single or deserted by partner or divorced or partner is in prison;
- person under 18 who is temporarily under care in a foster home, group home or institution or has been apprehended by Child and Family Services;
- person under 18 whose parents are dead or parents are unable to care for the child(ren);
- person who has more than one dependent in need of special care;
- person in undergraduate or vocational school program;
- person requiring protection in a crisis intervention facility.

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[56] Supplementary Information for Legislative Review: 1989-90 Departmental Estimates, Family Services. p. 74.

[57] Supplementary Information for Legislative Review: 1990-91 Departmental Estimates, Family Services, p. 86.

Financial

The financial eligibility of an applicant is determined by:

- assessing the "total cost of the basic necessities of the applicant and his or her dependents," taking into account the "circumstances and needs of the applicant";
- deducting the "financial resources of the applicant and those dependents" from this total cost; and
- if the cost of the basic necessities is greater than the financial resources, the applicant is eligible for allowance.

An applicant with financial resources that cannot be immediately accessed may be granted allowance for up to four months while the assets are being converted.

If it is determined that property recently assigned or transferred by an applicant/recipient of social allowance was done to reduce assets so as to qualify for social allowance, the property and any income earned from it will be considered income available to the applicant/recipient.

Monies paid under CRISP to persons eligible for social allowance are part of that person's social allowance payment.

Geographic

Where a qualified applicant or recipient lives in an area of the province north of latitude 53 00 or in an area east of Lake Winnipeg north of latitude 51 12, costs for basic necessities may be increased by up to 25%.

Exemptions for Calculation of Financial Resources:

Assets

- liquid assets under $400.00 for an individual recipient and up to $2,000.00 for a family;
- cash surrender value of life insurance policies up to a maximum value of $2,000.00;
- essential farming equipment, basic livestock, seed for crop;
- personal property considered essential to the health and well-being of the recipient and dependents;
- funeral expenses up to $1,000.00 for a recipient 65 years and older;

Payments

- Family Allowance;
- Federal Child Tax Credit;
- Federal Sales Tax Credit;
- Goods and Services Tax Credit;
- The Manitoba Cost of Living Tax Credit Plan;
- The Manitoba Property Tax Credit Plan (pursuant to *The Income Tax Act* [Manitoba]);
- costs for providers of Family Day Care;
- foster home maintenance costs;
- incentive allowance from a Work Activity Project;
- rent rebates.

Income

- earnings, the greater of, up to $50 per month or 70 cents for each hour worked or 30% of gross monthly earnings for a recipient who is not self-employed and has been in receipt of assistance for at least 30 days either as a sole-support parent, senior citizen, disabled person or General Assistance case;
- 30% of gross monthly per diem payments received by a social allowance recipient who is a Manitoba licensed child day care provider;
- for all other cases (self-employed, students and "Special Dependent Care" cases), the earnings exemption is $50 per month, up to $600 per year;
- employment or self-employment earnings of children who are in full-time attendance at school;
- 70% of gross income from boarders and 10% of gross income from roomers;
- casual gifts of small value.

Costs

Child care costs required for employment purposes of client or due to ill health of applicant/recipient (at the discretion of the Minister or a person authorized by the Minister).

Table B:1

Number of Beneficiaries and Total Expenditures - Social Allowance

Year	Number of Beneficiaries	Benefit Expenditures ($000's)[2]
March 1985	22,128[1]	106,881
March 1986	22,665[1]	118,266
March 1987	23,233[1]	126,790
March 1988	23,285[1]	140,660
March 1989	23,813[1]	153,171
March 1990	24,573[1]	167,343

[1] Represents the average caseload per month.

[2] These expenditures do not include the costs for children in care under the *Manitoba Child and Family Services Act*.

Source: Annual Reports for the Manitoba Department of Employment Services and Economic Security (1983 to 1989) and the Department of Family Services (1989-90).

Administrative Costs:

1989/90 actual expenditures for the Social Allowances Program were $2,752,600; 1989/90 salaries for the Income Maintenance Programs were $6,986,200. (Manitoba Government. Manitoba Family Services: Annual Report 1989-90. p. 36.)

Additional Remarks:

Effective January 1992, social allowance rates will be increased to include Provincial Tax Credits. The credits will be converted into a monthly payment.[58]

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[58] The Honourable Clayton Manness, Minister of Finance. The 1991 Manitoba Budget. April 16, 1991. p. 11.

Technical Information

Definitions:

"Basic necessities" - food, clothing, personal needs for adult recipients and household supplies; shelter; utilities and fuel including water, light, fuel and rentals or instalment payments on essential appliances (furnace, hot water tank, etc.); food and shelter away from home; special needs (expenses essential to employment of recipient); housekeeper or attendant service required during illness or other emergency; essential health care expenses; funeral expenses; care of children in special circumstances. (Further specifics related to these necessities as well as their costs are detailed in Schedule A of the regulations.)

"Financial resources" - with exception of exemptions (listed below), the following sources are included:

- all the real and personal property of applicant or a dependent of applicant including any income from the property;
- allowances, pensions, insurance benefits and income from business farming;
- gifts and gratuities whether in cash or in kind received by applicant or a dependent of applicant;
- value of free shelter, free board or lodging, received by applicant or a dependent of applicant.

"Special care" - care provided to a dependent of an applicant or recipient in a residential welfare institution that has been approved by the minister, or in a day nursery approved by the minister, or care approved by the director and provided to a dependent by a nurse, housekeeper, or homemaker in the home of the applicant or recipient or in a foster home.

MUNICIPAL WELFARE (WINNIPEG)

Municipal Welfare is an income security program administered by the City of Winnipeg through the City's Social Services Department. The program is legislated under the Municipal Act and is regulated and controlled through the City of Winnipeg's Social Services By-law No. 2466/79. Eighty per cent [80%] of the cost of the Municipal Assistance is funded by the Province of Manitoba as legislated under the Social Allowances Act.

Objectives:

The objective of this program is to provide financial assistance and associated counselling services to people within the City of Winnipeg who lack the financial resources to meet their basic needs.

Eligibility:

Individuals living within the Municipality of Winnipeg must fall under one of the following characteristics to be eligible for this program: unemployed employable persons; persons with short-term disabilities; sole-support parents who have been deserted or separated from spouse for 90 days or less; transients; women and children accessing Baldwin House or a motel or hotel room for emergency shelter; single men accessing the Salvation Army Hostel or the Main Street Project for emergency shelter; unmarried expectant mothers who are employable are eligible for assistance from the City up to and including the sixth month of pregnancy; after this period of time, the recipient is eligible for provincial assistance.

The Director (of Social Services) takes into account "according to the circumstances and needs of the applicant, the total cost of the basic necessities of the applicant, and his dependents, from which he shall deduct the financial resources of the applicant and his dependents; and if the cost of the basic necessities is in excess of the financial resources he may give assistance." (By-law No. 2466/79, p.3)

Exemptions for Calculation of Financial Resources:

Assets

- cash surrender value of life insurance policies up to a maximum value of $2,000;
- equity in the house of applicant's residence;
- casual gifts of small value (maximum $30/person);

- a single vehicle (Must be more than three years older than current year model unless assistance is likely to be short term.)

Earned Income

- $125 ($110 for January to July 1989 and $115 for August to December 1989) per month of earned net income of a single person, a head of family or combined income of head of family and spouse [This amount is determined by Council and as of March 4, 1987 is adjusted annually to reflect cost of living index. This amount is also applicable to strike pay but the recipient is "expected to obtain casual or part-time employment" (Schedule 'B' By-Law No. 2466/79, p.3).];
- $225 ($205 for January to July 1989 and $215 for August to December 1989) per month for any "family head whose net income from full-time employment falls below the relevant budget level" (Schedule 'B' By-Law No. 2466/79, p.5);
- up to $50 per month earned income of children under 18, living at home and working full time (not attending school);
- total part-time earnings of children under 18 years of age, living at home.

Payments/Benefits

- employment training allowance;
- board and room payments for care of foster children;
- Income tax rebates received on or after January 1st, 1987;
- annual payments ($5) received pursuant to the Indian Act;
- partial Criminal Injuries Compensation benefits;
- partial Workers' Compensation benefits;
- partial Motor Vehicle and Public Liability Insurance benefits;
- contributions other than ordinary maintenance to a recipient or dependents who require special care;
- Family Allowance;
- and such amounts determined by Council from time to time:
  - CRISP benefits;
  - 55-Plus Manitoba Income Supplement benefits;
  - Maintenance payments (maximum $225 per month);
  - Goods and Services Tax Credits.

Extra Allowances/Essential Services Coverage Available to a Recipient of Municipal Social Assistance Who is Unable to Access Other Resources:

- costs related to an approved educational or training course*;
- costs for a special medically prescribed diet;
- costs for certain prescription medication and over-the-counter pharmaceutical products;
- supplementary assistance for family head whose net income falls below the "relevant budget level"; the difference must be at least $20 for the supplementary assistance to apply;
- recipients for supplementary assistance receive free City dental and drug services where needed;
- emergency transportation of a recipient to and from a medical facility*;
- homemaker services*;
- a special needs laundry allowance for families of three or more (add $8.00 per person per month for the third and each additional person);
- day nursery care costs to facilitate employment of single parents*;
- school supplies*;
- costs for layettes (provisions for newborn infants)*;
- allowance to defray summer camp costs*;
- personal allowance ($10 per month) while a recipient is in hospital*;
- Christmas allowance;
- costs for rent or board and room which exceed the rates set for minimum adequate accommodation*;
- costs for essential household furnishings and appliances*;
- costs for repairs of essential household appliances*;
- moving costs for a move within the City within a six-month period*;
- when a family is involved, transportation costs for client to a new job out of town for one month or until first full pay; in special situations, the Department may provide ongoing support to the family or assistance for relocation expenses*;
- costs for a telephone in cases of medical necessity or in situation where client has obtained a restraining order ($12.66)*;
- funeral costs when no alternative resources are available.

* (At the discretion or approval or as determined by the Director or her/his representative.)

Table B:2

Number of Beneficiaries and Expenditure Costs - Municipal Welfare (Winnipeg)

Year	Number of Beneficiaries[1]	Benefit Expenditures ($000s)[2]
1985	7,872	35,957
1986	7,589	37,871
1987	7,598	41,755
1988	7,245	44,676
1989	7,491	48,122
1990	8,396	54,912

[1] Average number of recipients on aid at end of each month.

[2] Expenditures for financial assistance only.

Source: Social Services Department, City of Winnipeg, July 1991.

Table B:3

Administration Costs - Municipal Welfare (Winnipeg)

Year	Expenditures ($000s)[1]
1985	4,933
1986	5,525
1987	5,869
1988	5,733
1989	5,701
1990	5,809

[1] Actual expenditure costs for Operations and Administration. Counselling service costs for recipients are included in these figures. For 1985 to 1989, these figures include City Grants to Rossbrook House and Main Street Project. The figures for each year do not include monies for the Community Home Services Project and Community Service Worker Project.

Source: Social Services Department, City of Winnipeg, July 1991.

Table B:4

City of Winnipeg Caseload Percentage of All Municipal Assistance Cases in the Province

Year	Percentage
1986-87	85%
1987-88	86%
1988-89	86%
1989-90	88%

Source: Manitoba Government, Annual Reports for Employment Services and Economic Security (1985 to 1989) and the Annual Report of Family Services 1989-90.

Technical Information

Definitions:

"Assistance" - aid in any form to or in respect of a person in need, for purpose of providing to or in respect of such person. [Calculation of assistance rates are based upon Agricultural Canada's "Nutritional Food Basket" for food costs (price valuing is done twice a year by the Social Services Department); Metropolitan Toronto Social Planning Council's rates for clothing and for some of the personal needs estimates; and on an annual survey that the Social Services Department does for rent costs.]

"Earned income" - wages and services received from employment subsequent to enrolment on public assistance. All other types of income are considered as unearned income.

"Financial resources" - net amount of all income, allowances, pensions, insurance benefits, revenue from business or farming operations, regular gifts and gratuities whether in cash or in kind, the value of free shelter, free board, free lodging and the value of any other assets (e.g., second motor vehicle[59]).

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[59] Schedule 'B' of By-Law No. 2466/79, p. 3.

CHILD-RELATED INCOME SUPPORT PROGRAM (CRISP)

CRISP is a Provincial Government income security program administered by the Department of Family Services under the Social Services Administration Act in accordance with Regulation 405/88. CRISP was implemented in January 1981.

Objective:

The objective of CRISP is to assist low income families in meeting the costs associated with caring for children. Accordingly, it grants payments based upon the income, assets and number of children of the family unit on an annual accounting basis.

Calculation of Financial Eligibility:

Financial eligibility for CRISP is determined by net family income. Net family income is total family income for the tax year immediately prior to application minus the following deductions:

- $952 ($878 in 1989) for each dependent at the time of application;
- $100 for each dependent (only applicable after 1989) at the time of application who was born in 1982 or later;
- 6% of the total family income declared on the application; and
- the amount of maintenance and alimony payments made.

Income Criteria for Eligibility of Benefit:

Benefits under CRISP vary according to whether net income exceeds or does not exceed the threshold amount of $12,384. Specifically, an applicant with a net family income of $12,384 or less ($11,817 in 1989) is eligible for a monthly benefit of $30 for each dependent. An applicant with a net family income of $12,384 or more ($11,817 in 1989) is eligible for a monthly benefit of $30 for each dependent subject to a reduction of $1 for each increment of $48 or part thereof in the net family income of the applicant above that amount.[60]

E.g., For a net income range of $12,384.01 to $12,432.00, the benefit would be $29.

In no case shall the monthly benefit be less than $3 per month.

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[60] The tax-back rate was $12 for every $48 above the eligible income level up until 1989. The reduction to $1 from $12 is found in Regulation 45/89.

Note: Using Statistics Canada's Low-Income Cut-Offs, families must be well below the poverty line to qualify for the full benefit under CRISP.

e.g., The LICO for two people living in Winnipeg for 1991 has been estimated to be $20,166.00.[61] For a single mother with one child, her income can be no more than $12,384. This is 61% of the poverty line.

Benefits:

Where eligibility criteria are met, maximum benefit per eligible dependent is $30 per month but not to exceed $360 per benefit year.

Benefits are not taxable but are considered as part of the Social Allowances entitlement of eligible families (under the Social Allowances Regulations) and are therefore deducted from the recipient's social allowance payment.

Procedural Information:

The Procedural Manual instructs Economic Security Counsellors to discuss the advantages and disadvantages of CRISP benefits with the clients who are social allowance recipients/applicants as they relate to her/his needs. The Manual notes that CRISP may help reduce the client's dependency upon social allowance but could also be disadvantageous for the client if significant medical costs are involved (Manual, E1 - 11 - 03).

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[61] National Council of Welfare Estimates of Statistics Canada's Low-Income Cut-Offs (1986-Base) for 1991 (Estimates assume an inflation rate of 5.6%).

Table B:5

Number of Beneficiaries and Total Expenditures - CRISP

Year	Number of Beneficiaries	Benefit Expenditures ($000s)
1982-83	8,686[1] (N.A.)[2]	6,372
1983-84	9,409[1] (22,209)[2]	6,684
1984-85	8,017[1] (18,542)[2]	6,114
1985-86	7,645[1] (17,345)[2]	5,720
1986-87	8,104[1] (18,433)[2]	7,221
1987-88	8,058[1] (18,535)[2]	6,188
1988-89	7,710[1] (17,673)[2]	5,821
1989-90	7,133[1] (16,187)[2]	5,537

[1] Represents the average number of families per month.

[2] Represents the average number of children per month.

Source: Annual Reports for the Manitoba Department of Employment Services and Economic Security (1983 to 1989), the Department of Family Services (1989 to 1990) and Health and Welfare, Inventory of Income Security Programs, July 1985.

Table B:6

Administrative Costs - CRISP

Year	Benefit Expenditures[1]
1986-87	$468,000
1987-88	$528,300
1988-89	$859,100[2]
1989-90	$827,700[2]
1990-91	$872,600[2]

[1] The Administration Costs include Salaries (Managerial, Professional/Technical, Administrative Support and Indirect Salary Costs), and Other Expenditures (Transportation, Communications, Supplies and Services, Capital and Other Operating) under Income Supplement Programs as detailed in the Supplementary Information for Legislative Review for Manitoba Employment Services and Economic Security Department (1986 to 1989) and for Family Services Department (1989 to 1991).

[2] These numbers are the combined administration costs required to deliver both CRISP and the 55 Plus Program. The costs were not detailed separately for each program as they were in the previous years.

Technical Information

Definitions:

"Income" - money received during the taxation year immediately preceding the year of application for CRISP. Without limiting the generality of these monies, the regulations state that such income would include:

- income from employment, salary, fees, commissions royalties;
- adult training allowances, net research grants, scholarships, fellowships and bursaries;
- tips and gratuities;
- pension benefits from retirement and disability allowances;
- family allowances;
- unemployment insurance benefits;
- workers' compensation;
- interest and dividend income; and
- support, maintenance and alimony payments.

"Assets" - the real and personal property of the applicant and spouse (if applicable) which include:

- cash, and savings and chequeing deposits, including the value of retirement savings plans and annuities;
- stocks, bonds, shares and other investments;

- real estate other than the principal residence and the furnishings within;
- family vehicles other than the one used most often;
- land and buildings used for farm or business purposes;
- capital equipment and motor vehicles used for farm or business purposes;
- business inventories and accounts receivable.

"Benefit year" - a consecutive 12 month period starting on July 1 of one year and ending on June 30 of the following year.

Eligibility Criteria:

A benefit may be made to a recipient where the recipient:
- has one or more dependents who are less than 18 years of age and who are listed on an MHSC card;
- is in receipt of family allowances on behalf of those dependents;
- is registered together with the dependents for benefits under the Health Services Insurance Act; and
- is a member of a family whose net income meets the level designated under the regulations as it is calculated under the regulations (see Calculation of Financial Eligibility below).

A benefit will not be paid to:
- Treaty Indians who are living on reservations;
- Treaty Indians who are receiving social assistance from the Government of Canada;
- wards of the province or persons in temporary placement under the Child and Family Services Act;
- an applicant who has assets with a total net value greater than $200,000 as of the date of application.

Also, as outlined in the Procedure Manual, if a social assistance recipient is found eligible for CRISP, the "monthly CRISP benefits are deemed to be part of the social allowances payment... and the benefits are, therefore, deducted from the recipient's social allowances payment." Social allowances recipients are not eligible for retroactive payments of CRISP benefits (Manual, E1 - 11 - 03).

SHELTER ALLOWANCE FOR FAMILY RENTERS (SAFFR)

SAFFR is a provincial income support program administered by Manitoba Housing under the Housing and Renewal Corporation Act in accordance with Regulation 521/88 R. SAFFR was implemented in 1981.

Objective:

The objective of the SAFFR program is to assist families with a low income who rent their accommodation in the private rental marketplace.

Calculation of Eligibility and Benefits:

Financial eligibility is determined by net family income. An eligible renter will receive a shelter allowance in a benefit year of an amount calculated within a range set by the following formulae:

- at the low end of the income range, 90% of the difference by which rent exceeds 25% of income and at the high end of the income range, 60% of the difference by which rent exceeds 27.5% of income.

The precise amount of shelter allowance paid is determined by net income, actual rent paid and family size. The income and rent ranges in the formulae will be reviewed at least once a year.

A maximum rent figure will be established by the Board of Directors of MHRC which may be used in calculating the shelter allowance. A maximum shelter allowance payable to the eligible renter will be established by the Board.

The benefits are not taxable but they must be deducted from annual Property Tax Credit entitlements with any remainder to be paid to the recipient.

Table B:7
Number of Beneficiaries and Total Expenditures - SAFFR

Year	No.of Families	Monthly Benefits - One Parent[1]	Monthly Benefits - Two Parent[1]	Total Benefit Expenditure ($000s)
1984-85	2,292	$100.05	$101.09	1,513
1985-86	2,292	$102.66	$101.67	1,557
1986-87	2,071	$101.04	$109.55	1,447
1987-88	1,969	$115.37	$120.00	1,458
1988-89	2,012	$118.59	$115.81	1,558
1989-90	1,934	$124.27	$127.27	1,524

[1] The categories of "One Parent" and "Two Parent" families were changed in 1987 to "Two Person" and "Three Person" households.

Source: Annual Reports of the Department of Manitoba Housing.

Technical Information

Definitions:

"Income" - monies received during the previous taxation year divided by 12 and include:
- income from employment, salary, fees, commissions, royalties;
- adult training allowances, net research grants, scholarships, fellowships and bursaries;
- tips and gratuities;
- pensions benefits from retirement and disability plans;
- Family allowance;
- Unemployment Insurance benefits;
- Worker's Compensation;
- interest and dividends;
- support, maintenance and alimony payments;
- monthly CRISP payments received during benefit year.

"Net family income" - income of the applicant and spouse (if applicable) less the following allowable exemptions:
- 6% of total income of applicant's family, declared on application form;
- amount of any maintenance and alimony payments made by the applicant.

"Rent" - monies paid periodically by an eligible renter for possession and use of a residential accommodation, but excluding the following:

- monies paid for meals, board or personal services;
- rent supplements or subsidies paid by the province or any of its agencies to or on behalf of an eligible renter;
- security deposit as defined in The Landlord and Tenant Act.

"Shelter allowance" - a grant or advance made according to the regulation to an eligible renter to assist that person and person's dependents to obtain living accommodations of reasonable standards in the province.

"Benefit year" - a consecutive 12-month period commencing on July 1st on one year and ending on June 30th of the next year.

Eligibility Criteria:

- renter is a tenant of residential accommodation;
- renter has one or more dependents who are:
  - less than 18 years of age;
  - eligible for Family Allowance benefits;
  - registered together with the applicant for benefits under the Manitoba Health Services Insurance Plan;
  - not living on reservation land;
  - not wards of the province or in temporary placement under The Child and Family Services Act;
- renter does not reside in a housing unit receiving ongoing rent supplement assistance;
- renter does not reside in an owner-occupied mobile home unit;
- renter does not receive municipal, provincial or federal social assistance/income security.

Other Remarks:

If an applicant's financial status changes as a result of death, disability, change in employment status, or change in marital status, financial eligibility may be calculated on estimated income for the current benefit year. (Any change in rent, marital status, family size or address must be reported in writing to the corporation within 30 days of the change.)

COST OF LIVING TAX CREDIT (COLTC)

The Cost of Living Tax Credit is a provincial income related support program funded by the Manitoba Department of Finance under the Manitoba Income Tax Act. It is administered by Revenue Canada. The program began in 1974.

Objective:

The primary objective of this tax credit is to provide Manitobans with income related support to offset taxes payable, namely, Manitoba's Retail Sales Tax.[62]

Definitions:

"Income" - net family (applicant and spouse) income.

Calculation of Credit:

In 1984 and 1985 taxation years, the credit was calculated by subtracting 1% of net family income from the applicant's Basic Credit (3% of the sum total personal exemptions, plus disability deduction, plus education deduction).[63]

The credit is currently calculated by adding the following fixed credits applicable to the taxpayer's circumstances and subtracting from the sum 1% of Family Net Income:

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[62] Manitoba, Department of Finance, Manitoba Finance Annual Report, 1989-90. p. 43.

[63] Health and Welfare Canada. Inventory of Income Security Programs in Canada, July 1985. pp. 186-187.

Table B:8

Cost of Living Tax Credit

Single	$190
Married or Equivalent	$190
Age or Disability	$110
Dependent Under 18	$25
Disabled Dependent Over 18	$60

ource: Health and Welfare Canada, Inventory of Income Security Programs in Canada, January 1988. p. 122.

Credit Index Change:

Essentially, the credit value changes as the sales tax rate changes.

Table B:9

Number of Beneficiaries and Total Expenditures - Cost of Living Tax Credit

Fiscal Year	Program Year	No. of Claimants	Expenditures ($000s)
1986/87	1985	310,000	36,500
1987/88	1986	307,000	36,900
1988/89	1987	374,000	61,700
1989/90	1988	392,000	72,600
1990/91	1989	387,000	71,600

Source: Manitoba Finance, June 24, 1991.

APPENDIX C

CRISP REFORM IMPACTS, MANITOBA 1989

Table C:1

Summary of Stage Two Reform Impacts[1] (Manitoba, 1989)

CRISP	Baseline CRISP (Stage One Reforms)	Benefit x 2	Benefit x 5
Number of Beneficiaries	20,463	20,463	20,463
Average Annual Benefit Cost	$677	$1,355	$3,388
Total Annual Benefit Costs	$13,866,540	$27,733,000	$69,333,000
Poverty Gap ($) (%)	$8,990 (40%)	$8,661 (38%)	$7,719 (34%)

[1] All of the reform impacts (number of recipients and dollar costs) assume a 100% participation rate.

Source: Statistics Canada, 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Table C:2

Summary of Stage Three Reform Impacts[1] (Manitoba, 1989)

CRISP	Baseline CRISP (Stage One Reforms)	Increment x 2, Benefit x 5	Increment x 5, Benefit x 5
Number of Beneficiaries	20,463	22,966	30,655
Average Annual Benefit Cost	$678	$3,210	$2,827
Total Annual Benefit Costs	$13,866,540	$73,724,000	$86,647,000
Poverty Gap ($) (%)	$8,990 (40%)	$7,346 (32%)	$6,081 (26%)

[1] All of the reform impacts (number of recipients and dollar costs) assume a 100% participation rate.

Source: Statistics Canada, 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Table C:3

CRISP Reform Impacts at Participation Rates of 65% (Stage One) and 70% (Stage Two and Three), Manitoba 1989

CRISP Reformed (Manitoba)	Number of Beneficiaries	Benefit Expenditures ($000s)
STAGE ONE	16,519	$11,500
STAGE TWO		
Benefit x 2	17,083	$23,100
Benefit x 5	17,083	$57,900
STAGE THREE		
Increment x 2, Benefit x 5	18,835	$60,500
Increment x 5, Benefit x 5	24,217	$68,500

Source: Statistics Canada, 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

Table C:4

CRISP Reform Impacts on the Poverty Gap[1] at 75% and 60% of the LICO-1986 (Manitoba, 1989)

CRISP REFORMS	Poverty Gap at $ and % Values		
	At 100% of LICO	At 75% of LICO	At 60% of LICO
Stage One	$8,989 (40%)	$3,905 (23%)	$1,594 (12%)
Stage Two - Benefit x 5	$7,719 (34%)	$3,010 (18%)	$1,123 (8%)
Stage Three - Increment x 5, Benefit x 5	$6,081 (26%)	$2,137 (13%)	$749 (6%)

[1] All of the reform impacts assume a 100% participation rate.

Source: Statistics Canada, 1989 Survey of Consumer Finances. Calculations by the Social Planning Council of Winnipeg, 1991.

APPENDIX D

POVERTY LINES IN CANADA

POVERTY LINES IN CANADA

Statistics Canada's measurement of low income is the measurement most often used in Canada. It is defined as a "low-income cut-off" line below which an individual or family is said to be living in "straitened circumstances." Adopting a semi-relative approach, Statistics Canada uses its Survey of Family Expenditures to estimate the average proportion of income that families of different sizes spend on food, clothing and shelter. The last Survey was done in 1986 and the estimate was 36.2%. Somewhat arbitrarily Statistics Canada then adds 20 percentage points onto this estimate. Thus, the average Canadian family that spends more than 56.2% of their income on basic necessities is considered poor.

In 1971, the **Canadian Senate Committee on Poverty** developed a poverty line to replace Statistics Canada's measurement. In setting this line, the Committee first developed an average income level, for a family of four, required to cover costs for basic necessities, as estimated by National Health and Welfare; costs for raising children; and costs for heat and utilities. The Committee determined that the estimated total of these costs should reflect 70% of a poverty line, thus setting its poverty line at 30 percentage points above these basic costs. The Committee developed a formula to calculate the poverty line for family sizes of one person to at least seven persons. The Committee took a relative approach to the definition of poverty in that it would revise the lines each year based on the consumer price index and on total net income.

The Canadian Council on Social Development's (CCSD) poverty line, based upon a relative approach, takes one-half of the average income for a family of three, as reported by Statistics Canada, and sets this as the poverty line for a family of that size. It makes further adjustments for different sized families.

The Metropolitan Toronto Social Planning Council (MTSPC) sets a poverty line based on a "shopping basket" which includes a wide range of goods and services required to live a life at the minimum level of the community's social standards (i.e. costs for a newspaper, shelter, adequate home maintenance, minimum recreation costs, etc.). A basic income level is set, based on this costing method, below which one would be poor in Toronto. This approach can be adapted in other cities, based on the relative costs of similar goods and services.

Provincial Social Assistance rates are essentially poverty lines set by provincial governments using the absolute approach. Under the Canada Assistance Plan the Federal Government will share the cost of provincial assistance payments for basic necessities required for physical and social survival. It is up to each province to determine the cost guidelines for the basic necessities. The minimum income levels set by the provinces fall far below other poverty lines and include less than one-half of a "shopping basket."

Table D:1

Income Poverty Lines for Canada and Manitoba - 1989

NUMBER OF PERSONS IN FAMILY	STATISTICS CANADA[1]	CCSD	SENATE COMMITTEE	MTSPC	MANITOBA SOCIAL ALLOWANCE[2]
1	$13,414	$11,828	$11,425	$16,398	$5,320
2	18,192	19,712	19,063		$7,887
3	23,122	23,655	22,872	21,694	$10,261
4	26,619	27,597	26,680	30,204	$13,283
5	29,069	31,540	30,488		

[1] These poverty lines are for population areas of 500,000 persons or more.

Source: Income Security Division, Manitoba Family Services. *All other estimations are from: David P. Ross and Richard E. Shillington, The Canadian Fact Book on Poverty 1989. Ottawa: Canadian Council on Social Development, 1989.*

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